

DAILY REPORT

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CORRESPONDENT ON U.S.-SOVIET MILITARY BALANCE

OW070826 Beijing XINHUA in English 0757 GMT 7 Apr 81

["Moscow Dispatch: Equilibrium and Superiority--By Correspondent Wang Chongjie"--XINHUA headline]

[Text] Moscow, 7 Apr (XINHUA)--The balance of military forces between the Soviet Union and the United States and between the Warsaw Pact and NATO is a standard topic of official speeches and press comments here. All these statements proclaim without exception that the Soviet Union's preoccupation is to preserve the military parity instead of seeking superiority over the other side. Moscow's latest arguments focus on the following points:

It emphasizes that the two superpowers have come to a "strategic equilibrium militarily" and that the United States has lost its earlier supremacy. The strength of the world's two great military blocs--the Warsaw Treaty Organization and NATO--is more or less balanced.

It was pointed out that the Soviet Union, having made a strenuous effort, managed to catch up and reach this parity which, the Kremlin leaders said, "is an achievement in principle and of historic significance."

It is Moscow's contention that "the world situation has taken a sharp turn for the worse in the transition from the 1970's to the 1980's" when "a new round of arms race began." This is because the United States and NATO decided "to upset the strategic balance which has come into being in the world."

Moscow has vowed time and again that "the USSR will never allow the United States to gain military supremacy" and that it "will increase its defense potential in every field and thwart the scheme of the imperialists to achieve military superiority."

However, what Moscow asserts is a far cry from the views of the West. It is Washington's belief that the Soviet Union has taken the lead in some aspects of military power. As a result of the deployment of SS-20's, the Soviet Union has gained the upper hand in theater nuclear forces in Europe in addition to conventional forces. West European leaders also believe that there is a marked imbalance in military power of the East and the West in Europe and that Soviet superiority is beyond any doubt.

Washington accuses the Soviet Union of having feverishly boosted its military buildup behind the smokescreen of "detente," "limitation on strategic weapons" and relevant talks and agreements. The money that went to military spending in the Soviet Union in the last ten years far exceeded that of the United States. This discrepancy in military expenditure totals \$355 billion. Thus, American military muscle "has sagged dangerously in comparison with that of the USSR."

The Western nations draw attention to the fact that the Soviet Union has repeatedly flexed its now tougher military muscle and embarked on one expansionist venture after another overseas, the latest being the invasion of Afghanistan. They, therefore, are compelled to take military, economic and diplomatic measures to stand up to the Soviet challenge. The new U.S. Administration's five-year armament programme testifies to its determination to take up the Soviet gauntlet.

An accurate check-up and comparison of the arsenals of the two superpowers is clearly impossible. But one can at least draw the following conclusions by comparing the claims of the contenders:

--For a number of years, the pace of the Soviet Union's arms expansion has been far quicker than that of the United States, or it could not possibly attain the present "equilibrium" as it claims.

--Both Moscow and Washington agree that the United States has lost its military supremacy, and in Europe, the focus of their contention, superiority is obviously on the Soviet side and Moscow is satisfied with the present balance, while Washington is uneasy about it.

--Neither the Soviet Union nor the United States is willing to concede superiority to the other side and each tries its best to have an edge on the other. Since the beginning of the 1980's, their arms race has intensified.

It is against this setting that Brezhnev advanced his proposals for limitation on this arms race at the 26th party congress. He declared readiness to enter into talks with the United States at once on limitation on strategic weapons or any other type of weapons, the extension of "confidence-building measures" in Europe to cover larger areas and "a moratorium" on the deployment in Europe of medium-range nuclear missile weapons. But the Western countries responded by saying that the Soviet proposals are so devised that they would tie their hands and leave the Kremlin in its present superior posture.

As it was ten years ago, the Soviet Union has again mounted a "peace offensive" and wants to enter into dialogue with the West on "disarmament." But developments in the 1970's are still fresh in people's mind. So the question remains: Does the Soviet Union really intend to stop at a military "equilibrium" or is it out to gain absolute military superiority? The answer provided by the 1970's is a most disappointing one.

COMMENTARY ON SOVIET THREAT TO POLAND

OW061907 Beijing XINHUA in English 1855 GMT 6 Apr 81

["Commentary: Non-Interference Principle Should Be Strictly Observed--By XINHUA Correspondent Guo Ping"--XINHUA headline]

[Text] Beijing, 6 Apr (XINHUA)--The international community is watching with growing concern the critical situation in Poland which is in the shadows of a growing possibility of Soviet military intervention. The extended Warsaw Pact military exercises in and around Poland are being continued with massive reinforcements. Soviet Armed Forces stationed in or around the Baltic country have all gone into a higher state of readiness. Besides building communication nets, fuel depots and armouries in Poland, the Soviet Armed Forces are rapidly stockpiling military materiel, including tanks, helicopters and munitions, along the Soviet-Polish border. Of particular concern to the world community is Soviet leader Brezhnev's unusual trip to Prague.

The world community were relieved to find the Bydgoszcz incident in Poland solved peacefully through negotiations. However, the Soviet propaganda machine has more deliberately played up the so-called "anti-socialist" and "anti-communist" nature of the incident which allegedly constituted a threat to Poland. The Kremlin seems to be somewhat dissatisfied with the fact that no internal violence ensued from that incident.

What is most noteworthy is a passage in the April fourth issue of IVZESTIYA, organ of the Supreme Soviet, which reads: "Early last September, there were still hopes that Poland would correct its mistakes and effectively overcome its difficulties in a short time. However, it has to be conceded that the hopes have been dashed.... The developments in the last few days of March showed that counterrevolutionary reptiles were itching for action and were not given timely heavy blows." The message is clear: The Polish authorities are so helpless with their domestic troubles that they have failed to mete out "effective blows." Can this be called a sign of Soviet "confidence" in Poland's competence to solve its own problems?

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All that has happened in Poland is its internal affairs which brook no outside interference. This accords with universally-recognized norms governing international relations. Should the Soviet Union be free to intervene by force of arms wherever something is found not to its liking, what would be left of the peace and security in the world? Whatever their excuses or forms, the whole world would say no to foreign interferences in any country's internal affairs. The Soviet theory of "limited sovereignty" runs diametrically to the norms governing international relations and can in no way serve as an excuse for interference in Poland. It will also be absurd if the Soviet Union uses "defense of socialist achievements" as an excuse for interference. Is it comprehensible that the achievements of one country should not be defended by its own people but by other countries bringing in planes, tanks and troops to quell its people?

At a time when the Soviet Union is stepping up its military threats against Poland, it is all the more necessary to oppose outside interference and uphold the principle of letting the Polish people solve their own problems.

BBC CITED ON SOVIET COLLUSION WITH SOUTH AFRICA

OW070243 Beijing XINHUA in English 0206 GMT 7 Apr 81

[Text] London, 6 Apr (XINHUA)--The Soviet Union was in secret collusion with South Africa to control the world's markets in gold, diamonds and platinum, suggested a British Broadcasting Corporation (BBC) television programme tonight. The programme "Panorama" had its suggestion backed by evidence by its correspondent John Osman in Moscow. Osman declared that last November he bumped into Gordon Waddell, a South African MP and a top businessman, in the bar of the Bolshoy Theatre in Moscow. Waddell, together with another South African visitor with similar business connections, were accompanied by Soviet officials. "It's a pretty unusual thing to see him in Moscow, in fact, unprecedented to see anyone with such South African connection," Osman noted. "Panorama" also showed viewers a photograph of Waddell and other South African platinum producers at dinner with Soviet trade officials at a London hotel. The programme indicated that most Soviet diamonds are sold to the world through the De Beers Corporation, part of the South African mining giant Anglo-American, and Gordon Waddell is one of the top executives of the corporation. Noting that the Soviet Union and South Africa are the world's biggest producers of gold, diamonds and platinum, the BBC programme stated that the two might enter into a secret alliance to dictate world prices because it is to their advantages that the prices are kept up.

SEVERE COLD SPELL DAMAGES SOVIET FRUIT,CROPS

OW040736 Beijing XINHUA in English 0729 GMT 4 Apr 81

[Text] Moscow, 3 Apr (XINHUA)--A spring snowstorm and drastic drop of temperature has swept the outer Caucasus and central Asian republics of the Soviet Union in the last few days, causing serious damage to fruit trees and crops. The Soviet central television studio says tonight that a snowstorm has swept the central Asian republics of Tadzhik and Turkmen. The green trees in the Turkmen Republic were covered up by snow overnight. This was something unseen in the past half century. The snow caused particularly serious damage in Tadzhik where the weather had been very mild during the past winter. The newspaper IZVESTIYA reports tonight that temperature in the outer Caucasus republics of Armenia and Azerbaijan has dropped to five degrees below zero centigrade. The snow in certain places in Armenia is 20 centimeters deep. The sudden drop of temperature is very harmful to fruit trees in this area because they are already in bloom at this time of the year.

ZHAO ON POLAND, U.S., USSR IN MEETING WITH JAPANESE

OW061652 Beijing XINHUA in English 1636 GMT 6 Apr 81

[Text] Beijing, 6 Apr (XINHUA)--Chinese Premier Zhao Ziyang warned today there exists the grave danger of armed Soviet intervention in Poland and said China firmly opposes such action.

Speaking here to a Japanese delegation, which arrived yesterday, from the newspaper CHUNICHI SHIMBUN, led by Michiro Kato, Zhao Ziyang said there must have been some reason for the Polish people to ask their government to make changes in its current policies. "But Poland's domestic problems must be solved by the Polish people themselves," the Chinese premier stressed.

Asked about Sino-U.S. relations, Premier Zhao noted President Reagan had recently stated on different occasions he sets store by the strategic significance of Sino-U.S. relations and he will work to broaden them on the principles embodied in the communique on the establishment of diplomatic relations between the two countries. "We appreciate these remarks," Zhao Ziyang said.

Dwelling on the Sino-Soviet relationship, Zhao Ziyang said as long as the Soviet Union refuses to give up its hegemonist policy, China will not change its position of opposing hegemonism. Facing a situation in which the Soviet Union is intensifying its aggression and expansion on a global scale, he said, countries in the Asian and Pacific region, the U.S. and Western Europe should unite in a joint effort to contain the Soviet hegemonists.

Zhao Ziyang expressed satisfaction over economic cooperation between China and Japan. On the question of importing equipment from there, he said China has no intention of making things difficult for the Japanese Government and the Japanese enterprises concerned. He said better solutions can be found through concerted efforts by the two sides. Zhao Ziyang said the development of friendly cooperation between the two governments and friendship between the two peoples of China and Japan has profound significance for the stability and prosperity of the Asian-Pacific region. He asked the Japanese guests to convey the Chinese people's cordial regards to the Japanese people.

Among those present were Zeng Tao, director-general of the XINHUA NEWS AGENCY, Zhang Dazhong and Wang Lixing, deputy editors-in-chief of the Beijing DAILY, and Qian Qichen, director of the Information Department of the Chinese Foreign Ministry.

KYODO Report

OW070125 Tokyo KYODO in English 0110 GMT 7 Apr 81

[Text] Beijing, 7 Apr KYODO--Chinese Premier Zhao Ziyang Monday highly evaluated the realistic and prudent policy decisions U.S. President Ronald Reagan has been making since his assumption of office in January. The Reagan administration pledges to observe the China-U.S. joint communique and lays stress on the strategic meaning of Sino-American relations, Zhao told a visiting Japanese press delegation in Beijing Monday afternoon. China takes particular note of the fact that the Reagan administration has not acted on the Taiwan problem as pledged by the Republican Party during the presidential election campaign, Zhao said.

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Zhao expressed his support of President Reagan's call for a united opposition to the Soviet "expansionism." The Chinese premier also renewed China's strong opposition to Moscow's armed interference in Poland.

Zhao made these statements in his meeting with a delegation of the Nagoya-based CHUNICHI SHIMBUN, led by Miichiro Kato, president of the newspaper and also chairman of the Board of Directors of KYODO NEWS SERVICE.

Referring to Japanese Prime Minister Zenko Suzuki's official invitation to Zhao to visit Japan which Zhao has accepted, the premier said he could not say definite whether he would be able to make the visit by the end of this year. Zhao also expressed the hope that Suzuki would make an official visit to China at a time convenient to him.

Touching on the Kampuchea problem, Zhao voiced expectation on the recent moves for forming a new Kampuchean national front against Vietnam. The talks on the Kampuchean front, held in Pyongyang in mid-March between former Kampuchean head of state Prince Norodom Sihanouk and Democratic Kampuchea President Khieu Samphan, made a good start, Zhao said. The proposal for the new Kampuchean front has a good prospect, though it may take much time to come into a concrete shape, Zhao told the Japanese journalists.

Turning to China's domestic affairs, Zhao said that the next sixth plenary meeting of the Communist Party Central Committee would be held in the not too distant future. But the next 12th party congress will not take place in the near future because of the current efforts for readjustment of the national economy, the premier said. The party Central Committee session had been originally expected to be held around February. But Zhao's remark to the Japanese journalists has led observers to believe that the party committee meeting will be held in May or June. The observers also said there is possibility of the party congress being delayed to next year.

The coming sixth plenary session of the Central Committee is expected to finalize China's evaluation of the late Chairman Mao Zedong and his policy line and decide a major reshuffle of party leaders. Regarding the current preparation for revising the state constitution, Zhao said the restoration of the post of the head of state is under study.

UK, JAPANESE FOREIGN MINISTERS BEGIN TALKS

OWO61528 Beijing XINHUA in English 1517 GMT 6 Apr 81

[Text] Tokyo, 6 Apr (XINHUA)--British Foreign Secretary Lord Carrington today warned that a Soviet intervention in Poland would be dealt more severely than the Soviet invasion of Afghanistan. He said this while meeting with Japanese Foreign Minister Masayoshi Ito during their first round of talks this morning. They discussed the current international situation with special emphasis on the Polish issue.

Lord Carrington said that if the situation deteriorates in Poland, the possibility of Soviet intervention could not be ruled out. In that case, he said, actions against the Soviet Union would "at least be more severe than those at the time of the invasion of Afghanistan." The two ministers agreed that Japan, Europe and the United States should take concerted action in the case of a Soviet intervention in Poland. During the talks, Ito told his British counterpart about his impression of his visit to the United States and stressed that the United States should strengthen the coordination and solidarity of the West. Lord Carrington agreed with him on this point.

On the Afghan issue, the British foreign secretary appreciated Japan's aid to Pakistan. They agreed on continuous aid to Pakistan whose economic burden has been growing with the influx of Afghan refugees.

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On Kampuchea, the two sides believed that a political solution through negotiation would be the best solution.

In their second meeting this evening, the two foreign ministers mainly discussed British-Japanese and Japanese-European relations.

JAPANESE INDUSTRY DELEGATION REASSURED ON CONTRACTS

OW050619 Tokyo KYODO in English 0558 GMT 5 Apr 81

[Text] Beijing, 5 Apr (KYODO)--China has assured a visiting Japanese industry mission that it would take delivery of petrochemical plant equipment ordered from Japan, reversing its plan to cancel the contracts.

Toyo Engineering Corp. Vice President Masao Sakurai, here as head of the group of officials from five Japanese companies, told reporters late Saturday the Chinese have promised to honor the contracts. The mission held talks here Friday and Saturday with senior Chinese officials concerned on deals China earlier expressed wish to scrap.

The Chinese officials included State Planning Commission Vice Minister Kang Yonghe, Zhou Jiannañ, vice minister of the Administrative Commission on Import and Export Affairs, and National Technical Import Corporation Deputy General Manager Liu Xinghua. The Chinese assurance reflected a major shift in policy, apparently prompted by judgment that it won't pay to cancel the contracts when construction of the plants is well under way, Sakurai said.

The Chinese have also apparently taken into consideration an adverse impact the cancellation could have on relations between the two countries, he intimated. The Chinese have come out in favor of continuing the projects rather than compensating damages caused by the cancellation and now appear counting on soft credits from Japan to finance the projects, Japanese sources said. Japanese financial assistance is likely to dominate discussions between Japanese and Chinese officials in Tokyo later this week, they said.

A team of Chinese officials, led by the vice minister of the Administrative Commission on Import and Export Affairs, is scheduled to fly to Tokyo Wednesday for talks aimed at paving the way for Chinese Vice Premier Gu Mu's planned Tokyo visit later in the month.

Equipment left undelivered for petrochemical plants now likely to be revived--those in Nanjing, Shengli and east of Beijing--is valued at more than yen 100 billion (about \$480 million).

The Chinese mission is expected to seek low-interest trade credits from Japanese Government-run banks for the projects as well as new arrangements to allow deferred payments, the sources said.

OIL DISCOVERY ANNOUNCED BY SINO-JAPANESE COMPANY

OW060805 Tokyo KYODO in English 0657 GMT 6 Apr 81

[Text] Tokyo, 6 Apr (KYODO)--Crude oil has been found in China's largest oilfield by a Sino-Japanese joint venture, it was disclosed Monday.

Japan-China Oil Development Corp. the Japanese partner, said its test well No 1 hit oil on Saturday in the Bohai Bay area in southeastern China. The company said test drilling started in mid-December on the continental shelf in the southern part of the Bohai Bay. Using a Chinese rig, the drilling progressed at 30 to 40 meters per day and the oil stratum was found last month at the depth of 3,000 meters.

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Further analysis and prospecting will be conducted to determine the spread of the oil stratum and volume, the company said. The discovery is a blessing to China, which is suffering from oil production cutback, and to Japan, expecting increased oil supply from China, the company added.

LIAO CHENGZHI MEETS JAPANESE BUSINESS DELEGATION

OW061212 Beijing XINHUA in English 1203 GMT 6 Apr 81

[Text] Beijing, 6 Apr (XINHUA)--Liao Chengzhi, vice-chairman of the Standing Committee of the National People's Congress, met here today with a Japanese Sumitomo Shoji Kaisha Ltd. delegation which is headed by Tsuda Hisashi, honorary president of the delegation.

Li Chuan, vice-chairman of the China Council for the promotion of International Trade, took part in the meeting. The delegation arrived here yesterday as guests of the China Council for the Promotion of International Trade.

SOVIET MILITARY FLIGHTS AROUND JAPAN INCREASE

OW031652 Beijing XINHUA in English 1640 GMT 3 Apr 81

[Text] Tokyo, 3 Apr (XINHUA)--The aerial flight missions of Soviet military planes around Japan for 1980 increased 700 percent over the preceding year, declared Chief of Staff of the Japanese Air Self-Defence Force Ikutame at a press conference this afternoon. Consequently, the number of scrambles of air self-defence force fighters rose 20 percent, he added.

According to the statistics of the air self-defence force, the number of to-and-fro flight missions of Soviet military planes over the East China Sea increased from 24 in 1979 to 192 in 1980, or one flight for two days. IL-62 transport planes flew 166 flights, and TU-95 electronic reconnaissance planes 26 flights.

JAPAN DECLINES STATE-FUNDED PROJECTS IN USSR

OW040756 Beijing XINHUA in English 0747 GMT 4 Apr 81

[Text] Tokyo, 4 Apr (XINHUA)--Under the present grim international situation, it is difficult to undertake new large projects in the Soviet Union with the state funds of Japan, said Shigeo Nagano, representative member of the Japan-Soviet economic committee, yesterday, according to a report of the NIKKAN KOGYO SHIMBUN today.

The Soviet Union was reported to have asked Japan to provide a loan of \$3 billion to finance the import of large-diameter steel tubes from Japan for the laying of natural gas pipelines from Siberia to Europe, but no agreements were reached in recent negotiations in Tokyo. It was reported that a precondition put forth by the Japanese side was that the Soviet Union would not interfere in Poland. Shigeo Nagano, a representative of the Japanese economic circles in charge of economic cooperation with the Soviet Union has reportedly expressed a negative attitude towards the large-diameter pipeline dealings, saying that it could not be endorsed immediately because it involves large sum of state funds.

The Japan-Soviet economic committee meeting has adjourned for one and a half years since the eighth session held in Moscow in 1979. Badly needing Japanese cooperation of funds and technology for the development of Siberia as stipulated in its 11th five year plan, the Soviet Union has eagerly wanted to resume the committee meeting as early as possible, so that Japan could ease economic sanctions against it. However the Soviet proposal was rejected by Shigeo Nagano. He said: "Under the present conditions, the committee meeting could not resume soon."

ITO CALLS FOR SRV TROOP WITHDRAWAL FROM KAMPUCHEA

OW040719 Beijing XINHUA in English 0714 GMT 4 Apr 81

[Text] Tokyo, 4 Apr (XINHUA)--Japanese Foreign Minister Masayoshi Ito calls for the withdrawal of Vietnamese troops from Kampuchea when he saw the newly appointed Vietnamese Ambassador Nguyen Tien yesterday. The foreign minister said that the Japanese Government is opposed to the Vietnamese occupation of Kampuchea. He said, "The dispatch of military forces to other countries, as in Afghanistan and Kampuchea, is something that cannot be approved." Because of Vietnam's invasion of Kampuchea, he said, Japan has frozen its aid to Vietnam and the relations between the two countries have deteriorated. "The two sides should endeavor to normalize their relations," he added.

KIM IL-SONG ADDRESSES KWP PLENUM CLOSING SESSION

OW031548 Beijing XINHUA in English 1526 GMT 3 Apr 81

[Text] Pyongyang, 3 Apr (XINHUA)--Achievements and experiences gained in thoroughly establishing the Tae'an work system and improving factory management in the Democratic People's Republic of Korea were discussed at the two-day third plenary meeting of the Sixth Central Committee of the Workers' Party of Korea here on April 1 and 2, according to a KCNA report today. The Tae'an work system, one of socialist industrial management, was created by Korean President Kim Il-song in 1961.

Kim Il-song, general secretary of the party's Central Committee, made a closing speech at the meeting yesterday. "Thanks to the great vitality of the Tae'an work system, in the 20 years from 1961 to 1980 our industrial production grew at a high average annual rate of 14.5 per cent," the KCNA report said.

The plenary meeting also discussed the successes and experiences gained in improving the management of equipment, management of materials and the labor force, the financial management in accordance with the Tae'an work system. "The establishment of the Tae'an work system has not only brought about a rapid development of the national economy but also given full play to the collective and communist mode of life--comradely cooperation and unity--among the working people and further consolidated and developed our socialist system," the KCNA report said.

The plenary meeting expressed the belief that a great turn will be brought about in the country's factory management, showing a greater upsurge in Korea's socialist economic construction.

SUPPRESSION OF SOUTH KOREAN STUDENTS CONDEMNED

OW061632 Beijing XINHUA in English 1621 GMT 6 Apr 81

[Text] Pyongyang, 6 Apr (XINHUA)--The Secretariat of the Committee for the Peaceful Reunification of the Fatherland of Korea yesterday demanded that the Chon Tu-hwan clique of South Korea immediately stop suppressing the students, according to KCNA. In a press release issued in condemnation of the Chon Tu-hwan clique's suppression of the students of the Seoul and Songgyungwan Universities since mid-March, the Secretariat pointed out that the struggle of the students against the "presidential" and "National Assembly" elections is the "common desire of the students and people of South Korea." It added, "There are intelligence and spying networks in the campuses and the students are suffering under the evil laws and fascist suppression, which hinders the freedom of academic studies and group activities."

The release said "the resort to violence to crack down the righteous action of the students has once again shown that Chon Tu-hwan and company are the ferocious enemy of democracy and ruthless fascist tyrants."

VENEZUELAN DELEGATION VISITS, MEETS LEADERS

Li Xiannian Greeting

OW031514 Beijing XINHUA in English 1504 GMT 3 Apr 81

[Text] Beijing, 3 Apr (XINHUA)--Vice Chairman Li Xiannian, on behalf of the Central Committee of the Communist Party of China, called on Rafael Caldera, leader of the Christian Social Party of Venezuela and the Venezuelan delegation at the official guest house here this afternoon and extended a warm welcome upon their visit to China.

Rejoicing in the opportunity to visit China, Caldera said China is a country of great standing in the international arena and it is a pleasant thing for him to have the opportunity of directly inquiring into China's situation.

Li Xiannian said, "We welcome you to China and we are very glad to exchange views with you on international issues of common interests." Present were Feng Xuan, deputy head of the International Liaison Department of the CCP Central Committee; Tang Mingzhao, advisor to the department; and Regulo Burelli Rivas, Venezuelan ambassador to China.

Caldera, his wife and the other distinguished Venezuelan guests arrived in Beijing at noon today. They were greeted at the airport by Feng Xuan, Tang Mingzhao, Ambassador Burelli and Olga de Burelli.

Banquet Comments

OW031624 Beijing XINHUA in English 1610 GMT 3 Apr 81

[Text] Beijing, 3 Apr (XINHUA)--China appreciates Venezuela's persistent stand against imperialism, colonialism and hegemonism, opposing aggressions and interference of other countries and safeguarding world peace, said Li Xiannian, vice chairman of the Central Committee of the Chinese Communist Party. Li Xiannian made the comment at a banquet this evening in honor of a Christian Social Party delegation from Venezuela.

Li Xiannian paid tribute to Venezuela for its stand on the development of economic cooperation between Latin American countries and the establishment of a fair and new order in international economy. He expressed admiration for Venezuela's efforts in developing a national economy and protecting her own natural resources. "We are very glad to see that your country and party are playing more and more an important role in international and especially in Latin American affairs."

Since 1980, Vice Chairman Li said, the international situation has become more tense with more turmoil. "The hegemonists have stepped up their aggression and expansion. The menace of war is increasing."

The vice chairman said that both China and Venezuela are Third World countries and both face common world problems. "We have many common views on some important international issues." "Both countries maintain the same views on safeguarding national independence and state sovereignty, developing the economy, defending political and economic rights and interests of Third World countries, opposing hegemonists' aggression and expansion and defending world peace," he said.

Speaking on the internal situation, he said, "Now the Chinese Communist Party and the people are working hard to build up a modern socialist country with a high degree of democracy and civilization. Politically, we will further strengthen and perfect the socialist democracy and legal system; economically, we will continue to carry out economic readjustment and reform, and make efforts to improve people's lives," Li Xiannian said. "The general situation is good," he added.

Caldera Offers Toast

OW031926 Beijing XINHUA in English 1859 GMT 3 Apr 81

[Text] Beijing, 3 Apr (XINHUA)--Rafael Caldera, Christian Social Party leader of Venezuela, said here this evening that "Today, nobody in the world will ignore China's importance, and nobody will treat China's domestic affairs with indifference. Because, China's influence on human life is indisputable." Speaking at a banquet given in his honor by Li Xiannian, vice chairman of the Central Committee of the Chinese Communist Party, Caldera said, "The purpose of this visit by the delegation I lead is to become directly acquainted with this important country of China and to hold frank and friendly talks with the Chinese leaders on common world issues concerned with the present situation's inquietude and the inquietude in recent historical periods and in the future. "The Venezuela belongs to the Third World. Our nation has been tempered in the struggle for independence, and she firmly safeguards freedom and struggles for justice. "We persist in the necessity of a new international economic order based on international society's justice. In accordance with the principles of international society's justice, the strong and rich nations should not enjoy more rights because of their strength and wealth, but they should carry out more commitments."

Describing the Christian Social Party, Caldera said, "Our party's conviction is that dialogue is the way to trust and the friendship is necessary for guaranteeing peace and promoting complete progress."

"We oppose various kinds of imperialism and oppose hegemonist domination from anywhere. We safeguard every country's self-determined rights and sovereignty," he said. Referring to the common issues of concern, the danger of war, the germ of interventionism and reminiscences of colonialism, Caldera said, "Venezuela's people, and the Christian Social Party members in particular, are anxious for these questions. In our view, Latin America should unite closer."

Talks on Party Development

OW041853 Beijing XINHUA in English 1837 GMT 4 Apr 81

[Text] Beijing, 4 Apr (XINHUA)--In talks today between Li Xiannian, vice chairman of the Central Committee of the Chinese Communist Party, and Rafael Caldera, leader of the Christian Social Party of Venezuela, both sides said they wished to further enhance friendly relations between the two parties. During the talks, which proceeded in a sincere and friendly atmosphere, the two party leaders recounted their parties' development, their current advocations at home and abroad and their countries' political and economic situation.

Li Xiannian explained the Chinese Communist Party's views on the international situation as a whole as well as on individual topics of Afghanistan, Kampuchea and Poland. He condemned the Soviet Union for supporting Cuba's aggression and intervention in Latin America and Africa. He said that the hegemonist aggression and expansion of the Soviet Union in various parts of the world are the main source of the current turbulence, tension and ever-increasing danger of war on the international scene. The situation in Central America and the Caribbean Sea region are very turbulent, particularly in El Salvador. This situation was caused by intensifying social contradictions and the superpower's interference, Li Xiannian said. "We have always advocated that all countries should have their affairs settled by their own people and we resolutely oppose meddling or interference by superpowers," he said.

On bilateral relations, Li Xiannian said, "We are very satisfied with the smooth development of friendly relations between the two parties and two countries of China and Venezuela. Our two parties and two countries share the same of similar stands and views on many important international issues. "The Chinese Communist Party attaches great importance to the development of friendly relations with the Christian Social Party of Venezuela. The China-Venezuela relations at present and their future prospects are good. We notice with pleasure the more and more important role that Venezuela is playing in the international arena."

Li Xiannian also briefed Rafael Caldera's delegation on the experience and lesson the Chinese Communist Party has drawn from leading the Chinese people through the socialist revolution and construction.

During the talks, Rafael Caldera described Venezuela's polycentric political system. He said that every country should solve its own problems in accordance with the people's wishes, and should oppose all outside interference, and, at the same time, all countries should cooperate regardless of their political systems and political tendencies.

"China is an influential country in the world. Her participation in international multi-lateral activities is conducive to the balance of world power and world dialogues and helps to build stable world peace," he said. "We are very glad to see that China has developed her good relations with Latin American countries so that they can help each other, cooperate with each other and understand each other," he said.

Caldera said both Venezuela and China are Third World countries. Although they have different social systems, cultures and sizes of area, these should not present obstacles to the development of cooperation and friendship between the two countries, and these should not stop them from working together for the happiness of mankind. He said Venezuela and China can cooperate in many international affairs as well as in bilateral economic, scientific, technical and cultural fields.

Representing the Venezuelan side in the talks were members of the delegation of the Christian Social Party of Venezuela led by Rafael Caldera and Regulo Burelli Rivas, Venezuelan ambassador to China.

On the Chinese side were Ji Pengfei, vice premier and head of the International Liaison Department of CCP Central Committee; Feng Xuan, deputy head of the department, and Tang Mingzhao, adviser to the department.

Deng Urges Friendly Relations

OW060838 Beijing XINHUA in English 0827 GMT 6 Mar 81

[Text] Beijing, 6 Apr (XINHUA)--Deng Xiaoping, vice-chairman of the Central Committee of the Chinese Communist Party, met here today with Rafael Caldera, leader of the Christian Social Party of Venezuela, and his wife, Alicia Pietri de Caldera. Deng Xiaoping told Senor Caldera that although China and Venezuela are in two hemispheres, "we are faced with the same problem." He said: "Our two countries should defend national independence and dignity and oppose hegemonism. We should oppose big hegemonists and small hegemonists. There is a Cuba in your region and there is also a 'Cuba' close to us. Therefore our two countries should strengthen friendly relations."

Deng Xiaoping went on to say that "In today's eventful international circumstances we are very glad to develop friendly relations with the Latin American countries." The recent development of Sino-Venezuelan relations has been satisfactory, he added.

Senor Caldera said: "We hold that defending national independence and state sovereignty is not only a matter of saying good words but also of making a clear stand. In this respect, China makes a clear stand conducive to maintaining the international balance of power and defending sovereignty."

He said his party admires the Chinese Communist Party for all the work it has done, and seeks to promote friendly relations between Venezuela and China. He himself will continue to work to enhance these relations, he added.

Dr Regulo Burelli Rivas, member of the delegation of the Christian Social Party of Venezuela and Venezuelan ambassador to China, was present at the talks. Also present were Ji Pengfei, vice-premier and head of the International Liaison Department of the Chinese Communist Party Central Committee, Feng Xuan, deputy head, and Tang Mingzhao, advisor to the liaison department.

Caldera's Press Conference

OW060850 Beijing XINHUA in English 0842 GMT 6 Apr 81

[Text] Beijing, 6 Apr (XINHUA)--Rafael Caldera, leader of the Venezuelan Christian Social Party, said here this afternoon that his talks with Deng Xiaoping and Li Xiannian, vice chairmen of the Central Committee of the Chinese Communist Party, showed that Venezuela and China share many views on international issues. Speaking at a press conference, he said he had had extensive talks with Chinese leaders on international issues and foreign policies. "Both countries stand for safeguarding the right to self-determination and sovereignty, opposing interference in other countries' internal affairs, opposing hegemonism and imperialism of different colors and maintaining peace and friendship among all countries," he said. Senor Caldera said: "Venezuela and China have good relations and mutual understanding. There is a wide scope for cooperation which will benefit the two peoples and other peoples of the world."

On the situation in the Caribbean and Central America, he said Venezuela's view is that the destiny of Latin American countries should be decided by themselves. Venezuela, he said, sought sincere economic cooperation with them. "We hope that the people of these countries find their own road to freedom, democracy, development and social justice," he said.

He said El Salvador is in danger of being manipulated for foreign countries. The Christian Social Party of Venezuela had advocated non-interference in the internal affairs of other countries and respect for sovereignty. The El Salvador question should be settled by the Salvadoran people themselves.

Meeting With Peng Chong

OW061258 Beijing XINHUA in English 1243 GMT 6 Apr 81

[Text] Beijing, 6 Apr (XINHUA)--Peng Chong, member of the Political Bureau of the Chinese Communist Party Central Committee and vice-chairman of the Standing Committee of the National People's Congress, met here this afternoon with a delegation of the Christian Social Party of Venezuela led by the leader of the party Rafael Caldera. Peng Chong explained to the guests the structure of China's National People's Congress and its Standing Committee and their functions and tasks. He also described the NPC Standing Committee's present efforts to strengthen China's socialist democracy and legal system.

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Present at the meeting were Feng Xuan, deputy head of the International Liaison Department of the Chinese Communist Party Central Committee, Tang Mingzhao, advisor to the department, and Regulo Burelli Rivas, the Venezuelan ambassador to China.

Ji Pengfei Attends Banquet

OWO61702 Beijing XINHUA in English 1653 GMT 6 Apr 81

[Text] Beijing, 6 Apr (XINHUA)--Venezuelan Ambassador to China Dr Regulo Burelli Rivas gave a banquet this evening in honor of Rafael Caldera, the visiting leader of Venezuela's Christian Social Party, and his wife. Addressing the banquet, Caldera said his party acquired a clear understanding of the development of the world after talks with Chinese leaders Deng Xiaoping and Li Xiannian. "China has been exerting a great impact on the development of the world," the Venezuelan Christian Social leader said. During their stay in Beijing, Caldera said, they had seen the Chinese people working to build their country through the long past as well as the present and future. He said a road of cooperation and friendship had been opened between Venezuela and China.

Ji Pengfei, vice-premier and head of the International Liaison Department of the Chinese Communist Party Central Committee, said in his toast that the visit of the Venezuelan delegation had been successful. "Through the contacts and talks of our two parties' leaders, we are very happy to find we have unanimous or very similar views on many important international issues," Ji Pengfei said. He described this visit as a new contribution to the friendship between the two parties and the two peoples.

Also among the guests were Ji Pengfei's wife Xu Hanbing; and Zhang Jialuo, deputy secretary general of the Standing Committee of the National People's Congress; Sun Qimeng, deputy secretary general of the National Committee of the Chinese People's Political Consultative Conference; Feng Xuan and Tang Mingzhao, deputy head and advisor of the International Liaison Department; and Pu Shouchang, vice-minister of foreign affairs.

Members of the Venezuelan delegation were also present with the Chinese guests.

Caldera Reports to CPPCC

OWO71246 Beijing XINHUA in English 1220 GMT 7 Apr 81

[Text] Beijing, 7 Apr (XINHUA)--Rafael Caldera, leader of the Venezuelan Christian Social Party, today gave a report on Venezuela to the National Committee of the Chinese People's Political Consultative Conference. Among the more than 100 people present at the occasion were Vice Chairmen Hu Ziang and Zhou Peiyuan as well as members of the CPPCC Standing Committee and the National Committee.

In his report, Rafael Caldera gave an account on Venezuelan history, the political and economic situation in his country and the domestic and foreign policy pursued by the Venezuelan Christian Social Party. His report was welcomed by applause.

Vice Chairman Zhou Peiyuan expressed thanks to Mr Caldera on behalf of all present. "Mr Caldera's report and his visit to China have further promoted the mutual understanding and friendship between the two peoples," Zhou Peiyuan said.

Rafael Caldera, his wife, Alicia Pietri de Caldera, and other distinguished Venezuelan guests left Beijing by air this afternoon for a visit to Nanjing. Tang Mingzhao, adviser to the International Liaison Department of the Central Committee of the Communist Party of China, and Regulo Burelli Rivas, Venezuelan ambassador to China, accompanied the party.

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The Venezuelan guests were seen off at the airport by Feng Xuan, deputy head of the International Liaison Department of the CCP Central Committee.

Earlier this morning, Caldera, his wife and other members of the party paid their respects to the remains of Chairman Mao Zedong.

PRC PARTY WORKERS DELEGATION VISITS GUYANA

OW031520 Beijing XINHUA in English 1508 GMT 3 Apr 81

[Text] Georgetown, 2 Apr (XINHUA)--Guyanese Acting President Ptolemy A. Reid has expressed satisfaction with the steady development of friendly relations of cooperation between China and Guyana. In his meeting today with head of the visiting delegation of the Chinese Communist Party workers, Reid, who is also general secretary of the ruling People's National Congress (PNC), said he was pleased with China's closer contacts with countries in Latin America and the Caribbean over the past years.

After the meeting, PNC Vice-Chairman and Vice-President of Guyana Steve Naraine and other PNC officials held talks with the Chinese delegation on strengthening the relations between the two parties and on matters of common interest in a cordial and friendly atmosphere.

Yesterday, the Chinese delegation met with Reid, Vice-President Hamilton Greene, Steve Naraine, Foreign Minister Rashleigh Jackson and other highranking PNC and government officials on separate occasions.

Upon its arrival here on March 31 from Venezuela, the delegation led by Zhang Zhixiang, deputy head of the International Liaison Department of the Chinese Communist Party Central Committee, was met by PNC Chairman and Vice-President Bishwaishwar Ramsaroop at the airport.

During the past two days, the delegation also toured industrial enterprises, residential quarters and villages.

VICE CHAIRMAN ULANHU MEETS CANADIAN DELEGATION

OW070856 Beijing XINHUA in English 0822 GMT 7 Apr 81

[Text] Beijing, 7 Apr (XINHUA)--Ulanhu, vice-chairman of the Standing Committee of the National People's Congress, today met with a group of well-known figures from Canada led by Mrs Marion Dewar, mayor of Ottawa. In a friendly conversation, Ulanhu said that the Chinese people have always cherished intimate sentiments for the Canadian people. He cited Doctor Norman Bethune, who laid down his life while helping the Chinese people fight against Japanese aggression, as a symbol of the profound Sino-Canadian friendship.

Ulanhu also gave the Canadian visitors an account of the political and economic situation in China.

Present at the meeting was Hou Tong, vice-president of the Chinese People's Association for Friendship With Foreign Countries. Canadian Ambassador to China Michel Gauvin was also on hand.

The 12-member group, organized by the Federation of Canada China Friendship Associations, includes Mr John Sewell, former mayor of Toronto, as well as professors, specialists and journalists. Arriving here on April 3 at the invitation of the Chinese People's Association for Friendship With Foreign Countries, the Canadian visitors were guests of honour at a dinner the following day given by Wang Bingnan, president of the association. They are scheduled to tour Nanjing, Shanghai, Guilin and Guangzhou.

WOMEN'S FEDERATION STANDING COMMITTEE MEETS

OW050749 Beijing XINHUA Domestic Service in Chinese 1452 GMT 3 Apr 81

[Text] Beijing, 3 Apr (XINHUA)--The enlarged fifth meeting of the Fourth Standing Committee of the National Women's Federation of China closed this afternoon in Beijing. The meeting discussed and adopted a "resolution on implementing the important instructions of the Secretariat of the CCP Central Committee with regard to the work of women's federations" and main points of the work of women's federations this year. Song Renqiong, member of the Secretariat of the CCP Central Committee, made a report at the meeting. Kang Keqing, chairman of the National Women's Federation, presided over the meeting and made a speech.

The resolution adopted at the meeting points out: The Secretariat of the CCP Central Committee proposed to make bringing up, training and educating more than 300 million children and teenagers the focus of women's federations' work and attached strategic importance to the task, calling on us to train the next generation into new people with noble communist ideals, moral character, knowledge and physical strength and determined to make contributions to the people, the motherland and mankind. It is the common task of the whole party and society to do this work well. Representing hundreds of millions of women and mothers and linked heart to heart with children, women's federation organizations must courageously take up this task entrusted to women's federations by the Secretariat of the CCP Central Committee. Women's federation organizations should unite with the forces engaged in child and youth work of the various related mass organizations and concerned departments, closely cooperate with them, share the labor and responsibility, pool their wisdom and efforts and solve a number of problems concerning children's needs step by step. Women's federations' child work should be geared to the needs of all children and teenagers. In 1981 the emphasis is on doing good work in the following three areas: 1) It is necessary to give expanded publicity to the great strategic significance of bringing up, training and educating children and teenagers and, through activities celebrating "1 June" International Children's Day, give wide publicity to good deeds performed by various circles in society for children and teenagers and to good deeds performed by children and teenagers for society. 2) It is necessary to do a good job in home education, coordinating with schools, society and families to jointly do a good job in after-school education. 3) It is necessary to continue to coordinate with the departments concerned to grasp well the work of nurseries and kindergartens. It is necessary to train child-care and education personnel. It is necessary to help do a good job in the education of children who live in scattered homes.

The resolution says: We must deeply understand and fully implement the important instructions of the Secretariat of the CCP Central Committee. The various localities should proceed from realities, adapt to local conditions and carry the work through on a solid basis ideologically, organizationally, in planning and in measures. We must not rush headlong into mass action and must not try to find a single solution for diverse problems. We should cooperate with the departments concerned and bring into play the active role of the masses of women in industrial and agricultural production and in building a socialist material and spiritual civilization. Women's federation organizations should maintain close ties with other women's organizations, learn from each other and advance together. They should also maintain close ties with female Taiwan compatriots and families of Taiwan compatriots on the mainland, enhance unity with Taiwan compatriots, compatriots in Hong Kong and Macao and Overseas Chinese women and develop the patriotic united front.

The resolution calls on women's federation organizations to enhance friendship with women's and children's workers in all countries of the world and work hard to oppose hegemonism and safeguard world peace.

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The resolution stressed: The objects of the work of women's federations have been enlarged, and the tasks have become heavier. Therefore, women's federations themselves must strengthen ideological and political work, cadres of women's federations, leading cadres in particular, must resolutely implement the principles and policies formulated since the 3d plenary session of the 11th party Central Committee and fully understand the far-reaching significance of the party Central Committee's instructions on the work of women's federations.

Before the enlarged Standing Committee meeting, which lasted 3 days, the National Women's Federation had held a meeting of chairmen of provincial, municipal and autonomous regional women's federations. At that meeting, the participants conscientiously studied and discussed the instructions of the Secretariat of the CCP Central Committee on the work of the National Women's Federation.

PLA LOGISTICS DEPARTMENT HOLDS POLITICAL MEETING

OW070115 Beijing Domestic Service in Mandarin 2230 GMT 5 Apr 81

[Text] According to a report by JIEFANGJUN BAO [date not given], the General Logistics Department of the PLA recently held a political work meeting. The participants fully discussed the current situation and the readjustment policy, the upholding of the four basic principles and the strengthening of political and ideological work in accordance with the guidelines of the all-army political work meeting. Through discussion, they have cleared up "leftist" ideology and heightened their consciousness of implementing the party's line, principles and policies.

Wang Ping, political commissar of the General Logistics Department of the PLA, pointed out in his speech: Based on the actual situation of our army, "leftist" influence is the main ideological obstacle in implementing the party's line, principles and policies. Some people look at things with "leftist" ideas in mind and they frown upon and cannot keep up with the party's line, principles and policies. If we do not educate them, their general problem in ideology may develop into committing political mistakes.

Our leading cadres and political cadres should fully understand the great harm of "leftist" ideology and its deep-rooted influence. We should fully understand the necessity of eliminating the influence of "leftist" ideology. While eliminating the influence of "leftist" ideology, we must not lower our guard against rightist and other erroneous thinking. We should firmly uphold the four basic principles, conduct education on the party's line, principles and policies, and guard against anarchism, ultraindividualism and the influence of bourgeois liberalization.

PLA POLITICAL DEPARTMENT ISSUES YOUTH DAY CIRCULAR

OW070447 Beijing XINHUA Domestic Service in Chinese 1152 GMT 6 Apr 81

[Text] Beijing, 6 Apr (XINHUA)--The PLA General Political Department on 4 April issued a circular to the army on commemorating "May 4th" Youth Day. The circular urged that in commemorating the day, various PLA units should conscientiously implement the guidelines of the work conference of the party Central Committee, uphold the four basic principles and launch extensive activities of building socialist spiritual civilization.

The circular says: To build a spiritual civilization, units should train cadres and fighters to become revolutionary military men with ideals, morality, knowledge and physical stamina, who respect military appearances and bearing, decorum and discipline and are fearless of hardships, bloodshed or sacrifice, and who are determined to contribute their share for the people, the motherland and mankind.

The circular calls on various units engaged in commemorative activities to carry out education on "May 4th" patriotic revolutionary traditions among the vast number of young cadres and fighters and to conscientiously study Comrade Mao Zedong's "The May 4th Movement" and "The Orientation of the Youth Movement" and other related essays by the proletarian revolutionaries of the older generation so that the broad masses of commanders and fighters can understand correctly the great significance of the history of the May 4th movement and the revolutionary traditions so as to inspire them to love our party and our socialist motherland even more and to raise aloft the banner of Marxism-Leninism-Mao Zedong Thought and strive with actual deeds to build a modernized revolutionary army and defend and advance the four modernizations. Steps should be taken to create momentum for building a spiritual civilization, to publicize and commend units and individuals who have contributed remarkable achievements in building spiritual civilization and to develop these activities in depth.

STATE COUNCIL SENDS WORKERS TO GRASSROOTS UNITS

OW070736 Beijing XINHUA in English 0718 GMT 7 Apr 81

[Text] Beijing, 7 Apr (XINHUA)--Forty-three ministries, commissions and general administrations under the State Council have sent 2,241 office workers to help various localities solve problems arising during the current economic readjustment, production and construction.

The workers, in 410 groups, include 122 officials above the vice-ministerial level. Of the 43 departments, 35 are economic departments, the State Economic Commission, the State Capital Construction Commission and the State Machine-Building Industry Commission, as well as the Ministries of Light, Textile, Coal, Power, Petroleum, Chemical, Building Materials Industries and the Ministries of Communications, Finance and Commerce.

The groups are now working in grassroot units and soliciting views and demands from the people. In addition, some non-economic departments, such as the State Nationalities Affairs Commission, the Ministry of Public Security and the Labor Bureau, also have sent groups to enterprises, state farms and areas inhabited by national minority people to help implement the policies of national economic readjustment and train workers.

HONGQI ON APPRAISING CURRENT ECONOMIC SITUATION

HK031510 Beijing HONGQI in Chinese No 6, 16 Mar 81 pp 2-7

[Contributing commentator's article: "How To Appraise the Current Economic Situation"--capitalized passages published in boldface]

[Text] 1. THE ECONOMIC SITUATION IS VERY GOOD

The current economic situation is very good. Rarely has the situation been so good as it is now since the founding of the People's Republic. Why are we saying this?

In studying the economic situation, the first thing we study is the condition of production development. The growth rate of industrial production in 1979 and 1980 of 8.5 percent and 8.4 percent respectively is slightly lower than that of 1977 and 1978 (14.3 percent and 13.5 percent). However, the high growth rate of 1977 and 1978 is misleading. Of the many things produced, a considerable portion which turned out to be unsuitable for the market was stored away in warehouses. Moreover, as in the past, no attention was paid to the people's daily necessities and light industry had to make way for heavy industry. Consequently, the greater the development, the greater the imbalance. In 1979 and 1980, because attention was paid in the formulation of plans not to set high targets and because heavy industry had to make way for light industry, 1979 was more realistic than the 2 previous years and 1980 was even more down-to-earth than 1979.

In 1979, there was already a change from the common practice of the past, and the rate of development of light industry exceeded that of heavy industry. In 1980, the growth of heavy industry was only 1.6 percent whereas the growth of light industry was 17.4 percent. This development is more in line with conditions in China. In 1978, as a result of the correction of leftist mistakes, agricultural production increased by 9 percent in a single year and increased by another 8.6 percent in 1978 making 2 years of high speed development in a row. In 1980, although we had drought in the north and flooding in the south seldom experienced for scores of years, we still obtained quite a good harvest in grain production. The estimated total grain output of about 316 million tons is only slightly less than 1979, the second record year since the founding of the People's Republic. Such cash crops as cotton, sugar and oil-bearing crops all showed increased production to reach the highest level in history, and the gross output value of agriculture is still slightly higher than 1979. The internal proportion of agriculture is also more rational.

Second, let us study the living conditions of the people. In the latter part of 1978, the 3d Plenary Session of the 11th CCP Central Committee decided to cut back scale of capital construction, raise the purchase price for agricultural products, further improve the wages of the workers following the wage improvement in 1977 and increase the awarding of bonuses. The original plan called for cutting back 9 billion yuan in capital investment, improving wages and raising the purchase price to increase the income of workers and peasants by 10 billion yuan (not including the portion resulting from increasing the wages of workers and increasing the amount of agricultural products purchased). The result of implementation was that the cutback in capital construction investment could not be fulfilled according to plan, and because of the increase of investments outside the plan, total investment was still slightly higher than in 1978 (increased from 48 billion yuan to 50 billion yuan). Improvement of wages and raising of the purchase price however exceeded the original plan and amounted to over 14 billion yuan. During these years, there was a great increase in social purchasing power, or in other words, the income of urban and rural people greatly increased. From 1970 to 1979, social purchasing power on the average increased by 8.4 billion yuan a year. In 1978, it increased to 14.8 billion yuan. In 1979, it increased to 32.2 billion yuan. Preliminary estimates in 1980 showed that that it again increased to 35.4 billion yuan. The amount of increase of social purchasing power is on the whole equivalent to the amount of increase in national income. In other words, almost the whole of the national income in these 2 years has been used to improve the life of the people. At present, the average income of a farmer has risen from 117 yuan in 1977 to 170 yuan in 1980 (an increase of 45 percent in 3 years). The average wage of a worker has increased from 602 yuan in 1977 to 781 yuan in 1980 (an increase of 30 percent in 3 years). Last year, the bonuses and subsidies received by workers in many enterprises were on the whole equivalent to 2 months' pay and for workers in departments equivalent to 1 month's pay. Now, what people are queuing up to buy is not ordinary foodstuffs but all kinds of quality goods. At the same time, savings deposits in banks have also greatly increased.

Between production growth rate and improving people's life, which is the essential hallmark for judging the quality of the economic situation? Naturally, developing production is the prerequisite for improving the life of the people. However, in the history of our country, we have always only paid attention to the rate of production development and not to improving the life of the people. Therefore, the quality of the economic situation must primarily be judged from the condition of the life of the people, and particularly the peasants who constitute the overwhelming majority of the population. In history, we have had two periods of high speed development. Once was the 3 years of recovery after the founding of the People's Republic. The average growth of industrial production at that time was 34.8 percent and the growth of agricultural production was 14.1 percent a year. However, this was in the nature of recovery.

After the 3 years, the war-ravaged national economy was able to top all previous records. At that time, our foundation was still very fragile. Although there had been a great improvement, it was still very far behind in comparison with conditions at present. In 1952, the supply system was still practiced and even departmental cadres could not afford a wristwatch. In 1954, when the wage system was implemented, they still could not afford a tube-type radio (there were still no semiconductor radios at that time). Now, almost all the workers have a wristwatch and some have also bought their own television sets. During the first 5-year plan, the production growth rate was also very fast. Industrial production yearly increased by 18 percent and agricultural production by 4.5 percent. There was also a marked improvement in the life of the people. The superiority of socialism was clearly manifested at that time, and people had infinite faith in it. However, this was not the case with the second high speed development. In the so-called 3 Years' Great Leap Forward which began in 1958, the average growth of heavy industry was 49 percent and the average growth of light industry was 14 percent a year. However, agricultural production fell and there was a marked deterioration in the life of the people. Naturally, this was not an excellent situation but a very bad one. In the 20 years from 1957 to 1976, apart from the period of readjustment (from 1961 to 1965), because of the yearly emphasis on high speed, the capital construction front became greatly overextended. Consequently, despite the relatively fast growth in industrial production, there was little improvement in the life of the people. Although they yearly said that the "situation was good," actually the situation in many years was not good at all. The growth rate of industrial production in the last 2 years has not been as good as many years in the past, but there has been a definite improvement in the life of the people. In particular, there is a marked improvement in the life of the 800 million peasants. In this sense, rarely has the situation been so good as now since the founding of the People's Republic. Naturally, this is only the beginning. In the future, the situation will get better and better.

The reason we say that the situation is very good and rarely has the situation been as good as now since the founding of the People's Republic is not only because of the growth in production and the improvement in the life of the people at present, but more importantly, because we have started to correct "leftist" mistakes and break away from the serious imbalance in proportion. During the last decades, because we have not carried out economic construction based on national conditions in China but have blindly gone in for high speed, we have seriously dislocated the proportions of the national economy. Normal proportionate relations cannot be restored in just 1 or 2 years. Although we have called for readjusting the policy of the national economy for 2 years, because many of the comrades do not fully understand and have not effectively carried this out, consequently results have not been very good. Before old difficulties are surmounted, new difficulties emerge. Last year, the central work conference put forward a plan which is more suited to the actual circumstances for further readjusting the national economy. It pointed out that the scale of capital construction is still too big, the proportionate relations between agriculture, light industry and heavy industry are still not coordinated while energy, communications and transportation still cannot keep in step with the existing scale of production and construction. Therefore, not only must we continue to cut back capital construction this year, but we must also voluntarily lower the production growth rate of some departments, develop less heavy industry and develop more agricultural and light industry. Due to the huge amount of financial deficits and the rise in prices which to a certain extent is caused by them, we have no alternative but to also strictly control improvement of the people's life. Otherwise, the plan for improving the life of the people will fail. In short, we must still take a difficult and tortuous path in the process of readjusting. However, as long as we chart a correct course, we will be able to pass through the dangerous shoals and continue our advance. Therefore, it is not enough to judge the excellent situation simply by the changes in production and life during the past 2 years. The more important thing is our minds have become more conscious and we are beginning to correct "leftist" mistakes, making the effort to change from passivity into regaining the initiative and seeing the really promising future.

2. THERE ARE SERIOUS DIFFICULTIES IN THE EXCELLENT SITUATION

We have on the one hand said that the situation is excellent, but on the other hand, we have also said that there are serious difficulties. How can this be actually explained? Naturally, the root cause of the difficulties has been caused by the "leftist" mistakes accumulated over the past 20 years or more and by the 10 years of turmoil of the "Great Cultural Revolution" which brought the national economy to the verge of collapse. After the smashing of the "gang of four," instead of promptly correcting the "leftist" mistakes, we made a call in 1977 for basically accomplishing the mechanization of agriculture by 1980 and again made a call in 1978 for getting started and going all out in industry. In that year, because appropriations for state capital construction increased by more than 40 percent over the previous year and because of the introduction of an enormous amount of complete sets of equipment from abroad, the disproportion was further revealed. The 3d Plenary Session of the 11th CCP Central Committee in the winter of 1978 and the central work conference in the spring of 1979 promptly put forward the eight-character policy centered around readjustment and the wholesale correcting of "leftist" mistakes began. The central work conference called for cutting back capital construction investments in that year from 45 billion yuan to 36 billion yuan and using the money saved to raise the purchasing price of agricultural products and increase the wages of workers. There had been little improvement in the life of the people for 20 years, and although the extent of the rise in purchasing price and increase in wages was quite a bit bigger, this actually was necessary. As mentioned before, the problem was that because many of the comrades saw the very good economic situation (this being just the opposite of the readjustment in the early period of the 1960's), they failed to see the necessity of readjusting and therefore did not exert themselves in this respect, neither did they cut back on the scale of capital construction. Moreover, they even topped the predetermined plan in the extent of improving the life of the people. Consequently, financial deficits appeared, and by 1980 prices could no longer be stabilized.

When preparing the plan for 1980, we paid attention to this problem and that was why we made a further cut in capital construction investments from 36 billion yuan to 24 billion in the plan. However, this again failed to produce the anticipated result. Because the localities and enterprises have a bit of flexible financial resources, investments outside the plan greatly increased. Moreover, they have gone in for redundant and wasteful construction resulting in the small squeezing out the big and the new forcing out the old. The wages of the workers increased by 40 percent in 1979, but because of the length of time required for grading, they were only paid retrospectively in the summer of 1980. In that year, they also increased the distribution of bonuses and subsidies, and the amount of the bonus paid by many enterprises was on the whole equivalent to a general promotion of one grade for the low salaried workers. In that year, there was very little increase in the planned purchase price for commodities. However, many of the communes and production brigades reduced the basic amount of requisition and assignment purchases and increased the price of "excess quota purchase" by 50 percent. Many of the communes and production brigades also sold negotiated price grain and other agricultural products even higher than this price. Just the price increase for excess quota purchase and negotiated price purchase of grain was more than 5 billion yuan. Most of these commodities purchased at a high price were sold at a low price on the market, and the state subsidy for commodity prices amounted to 20 billion yuan. After a freeze of 20 years, there are definitely many difficulties in the life of the people. It is fully understandable for the departments concerned to take an interest in the life of the workers and peasants. The problem is, the purchasing power of the people has increased by over 30 billion yuan a year for 2 years in a row. This is not only more than public finance can bear but has also exceeded the increase in production.

In 1976, national income increased by 6.9 percent (based on the unchanged value), the supply of social commodities increased by 15 percent (based on the value of that year), whereas social purchasing power increased by 20 percent. We have still not received the statistics on the national income for 1980, but we estimate that conditions will be roughly the same as in 1979. Financial deficits in 1980 will also be well above the schedule. Therefore, there was an increase in the prices of many commodities last year.

In order to eliminate financial deficits, control the amount of currency issued and ensure the stability of the market and commodity prices, the CCP Central Committee has decided to resolutely cut back capital construction investments this year and also to correspondingly cut down on spending in other directions. Recently, the whole country has been generally discussing the readjustment plan and may possibly cut back the amount of investments. The question is, should we also appropriately control improving the life of the people? Some of the comrades are of the opinion that we should continue to raise the wage level and generally hand out bonuses. Some hold that in order to provide an incentive for agriculture to increase production, we must continue to raise the purchasing price for agricultural products. Judging from a partial point of view, such views are reasonable. However, judging from the situation as a whole, the handing out of bonuses (or subsidies) to compensate for the increase in prices and the issuing of more money will on the other hand stimulate an increase in commodity prices. In raising the purchasing price of agricultural products, if we maintain the stability of the market price, the subsidy of commodity prices will go up faster. This will increase financial deficits and make the rise in commodity prices even harder to control. If there is a drastic rise in commodity prices, the benefits we have given the people over the past 2 years will be lost. Judging from the situation as a whole, we must adhere to the correct policy of eliminating financial deficits and stabilizing the market and commodity prices. To do this, we must cut back capital construction investments, and at the same time, control the extent of growth in the purchasing power of the people.

The current economic situation is completely different from that in the early 1960's. This is not a case of falling but of steadily rising production. This is not a case of serious difficulty but a relatively marked improvement in the life of the people. Then where is the problem? The problem lies in the inability to cut back accumulated funds according to plan and also in the growth of consumption funds topping the original plan. The accumulated funds of state expenditure and the consumption funds added together have exceeded the total national income. Consequently financial deficits have appeared. The imbalance in financial revenue and expenditure, credit income and expenditure and commodity supply and demand has led to serious difficulty in stabilizing the market and commodity prices under the excellent economic situation. The method we should adopt to overcome this difficulty is to continue to cut back capital construction investments and administrative expenses according to the readjustment plan, strictly control excessive growth in the purchasing power of the people and also adopt other means to eliminate serious waste in economic work and improve economic efficiency. Only by doing so will we be able to eliminate financial deficits and stabilize the market and commodity prices, thus allowing the latent danger to naturally die out by itself.

Some economists and people of the economic circles of the West are puzzled as to why we attached such great importance to financial deficits and the rise in commodity prices. They say that based on the experience of Western countries, as long as the amount of financial deficits, inflation and price increase do not go beyond a certain limit, they can be advantageous to the development of production. A handful of economists in our country also share this view. They do not understand that although China and the countries of the West all have economic difficulties, they are completely different in character. Their difficulties of declining demand (including investment and life) and overproduction are caused by the basic contradiction of the capitalist system.

Slight inflation can stimulate demand, growth and moderate overproduction and prevent economic recession. Our economic difficulty is caused by expanding demand (excessive investment and excessive growth in purchasing power) and the inability of products to satisfy demand. At present, our market supply (including material supply) is already so strained. If commodity prices go up, people will rush to buy up all kinds of things (this happened in the early part of the 1960's) and the market and commodity prices could be thrown into confusion. Under given conditions, inflation may temporarily solve the economic difficulties of the capitalist countries, but it definitely cannot solve the economic difficulties of our country but may instead aggravate our difficulties. This prescription of the Keynesians is no longer effective in the West, so it is even more unsuitable for our country.

3. THE DIFFICULTY CAN BE OVERCOME BY CONSCIENTIOUSLY CARRYING OUT READJUSTMENT AND REFORM

The disproportion in our national economy has been a longstanding problem. Before the readjustment policy put forward by the CCP Central Committee, the supply of most means of production and means of subsistence was much more strained than it is now. At the same time, more and more materials were laid up in warehouses and the national economy had long been bogged down in an inextricable predicament. Since the carrying out of readjustment, because of the retreat on the capital construction front and the priority given to the development of agriculture and light industry, the supply of both the means of production and the means of subsistence has greatly improved over the early part of the 1970's. In the past, it got more strained year by year. Now, it is becoming more relaxed year by year. There has been a marked improvement in the life of the people and particularly the peasants. This is further ironclad proof of the initial success of the readjustment policy. At present, the financial position of the central government is definitely in great difficulty. However, the localities have a bit more money. In particular, many enterprises have their own funds and can to a certain extent make their own arrangements for production, technical innovation and improving the life of the people. Bank savings of urban and rural people have doubled. Is this not a sign that the situation has rarely been as good as it is now since the founding of the People's Republic? It is a good thing for the enterprises and people to have more money, and this definitely is not a bad thing. The problem is our management work has not caught up.

Localities and enterprises with money have gone in for unrealistic construction. The increase in the income of workers and peasants has exceeded the capacity of the market and commodity supply. This has resulted in people queuing up to buy up quality goods. Judging from the situation as a whole, our economy has started to move. However, judging from the parts, we must adopt effective measures and promptly solve the difficulties appearing in public finance and credit.

The principle measure for overcoming the difficulty is to first strengthen planned management in the field of macroeconomics. The specific content is to further cut back on capital construction investment, and in particular, to put a stop to localities and enterprises carrying out unrealistic construction and the redundant and wasteful phenomenon of the small pushing out the big and the new squeezing out the old. In production, we must also reorganize over 300,000 industrial enterprises and use the method of integration to reduce redundancy and waste. At the same time, we must also strengthen control over improving the life of the people. In the past, Comrade Zhou Enlai and Comrade Chen Yun constantly paid attention to controlling the number of workers. Wages were fixed at that time, and as long as the number of workers was controlled, the total payroll also could not be exceeded. At present, we not only have no control over the number of workers, but we have also lost control over wages as a result of the indiscriminate handing out of bonuses by some of the enterprises. The excessive handing out of bonuses has an impact on the market and commodity prices and compels those enterprises which formerly did not give bonuses to also hand them out. We raised the purchasing price for agricultural products by more than 8 billion yuan in 1979 alone.

There has been very little increase in prices in the 1980 plan, but there has again been a very big increase in excess quota premiums and negotiated purchase prices. Bonuses play an important role in arousing the enthusiasms of the workers. We should not oppose the awarding of bonuses but only the indiscriminate handing out of bonuses. Negotiated prices should also play a good role in increasing the market supply of the three categories of agricultural sideline products, and the abolition of negotiated prices will again rigidly restrain the agricultural sideline production market which has just become active. However, we must guard against reducing the amount of requisition and arrangement purchases as a result of increasing negotiated prices. In terms of policy, not only must we strengthen management over these two things, but we must also not act rashly. We must not try to solve this complicated problem simply by issuing administrative orders, but must strengthen investigation and study and rely on the strength of the masses to help us carry out supervision and inspection. If we clearly explain the difficulties of the state to the masses, they will help us to overcome them.

Eliminating financial deficits, controlling the issue of currency and stabilizing market and commodity prices are the pressing problems we must give priority to at present. However, this does not mean the end of our readjustment work. We must still basically reform the economic structure and also change the proportionate relations between agriculture, light industry and heavy industry to correspond with the actual conditions that China has a population of 1 billion people, of whom 800 million are peasants, and that the people's standard of living is very low. Our economic work must first ensure that the 1 billion people, and particularly the 800 million peasants, will have enough food and clothing and gradually improve their living standard on the basis of developing production. Now, there has been a marked improvement in the standard of living and consumption of most people. They have gradually turned from looking forward to old important things (wristwatches, radios, bicycles and sewing machines) to new important things (television sets, tape recorders, washing machines and electric fans. We must step up the development of agriculture and light industry to satisfy the needs of the people and see to it that every banknote we issue will have a material guarantee. In recent years, there has been a faster development in our agriculture and the development of light industry is also beginning to outstrip the development of heavy industry. At present, there is still a great deal of potential in our agriculture and light industry which has not been brought into play. We must adopt all kinds of effective measures to speed up their development. As for heavy industry, we must in particular strengthen construction in energy, communications and transportation and change their illogical internal proportionate relations. After the shortening of the capital construction front, many enterprises of the machine building industry have not enough work to do. We should direct them to shift from supporting the construction of new plants to supporting the renovation and improvement of old plants and also promote the readjustment, reorganization and transformation of the machine building industry. From the long-term point of view, our readjustment work is not only in balancing financial income and expenditure, but more importantly, also in rationally reorganizing the whole economic structure. Obviously, it is impossible to have healthy development in the national economy if we do not carry out readjustment.

If we look further ahead, we will inevitably come across the reform of the economic management system. At present, many economists have pointed out that our national economy is one of high speed, high accumulation, poor results and low consumption. The ultimate goal of our economic construction is to gradually satisfy the daily increasing needs in the material and cultural life of people throughout the country. If the result of high speed is low consumption, then is there still any meaning to this kind of economic construction? One of the basic reasons giving rise to this abnormal condition is the disproportion in the national economy mentioned previously. The other is the overcentralized Soviet-style economic system we have adopted.

Financially, what we practice is unified income and spending. Production and circulation all come under the state monopoly for purchase and marketing, or what we call "eating from the same big pot." If we do not set up a responsibility system of accounting at every level but continue "eating from one big pot," we will be unable to eliminate the enormous waste in production, circulation and construction or improve work efficiency. From the long-term point of view, if we do not change this condition, our finance will also be unable to extricate itself from the predicament. In this respect, the ultimate goal of readjustment and reform is still identical and complementary. Those who hold that the reform of the system will hinder economic readjustment and lead to economic difficulty are being shortsighted.

Naturally, although our policy for reforming the system is correct, if it is not properly handled, it can also have a negative effect on readjustment. What we are practicing is financial management by the central and local levels. We have given greater autonomy to the basic-level enterprises and implemented profit sharing so that the localities and enterprises will have some flexible financial resources to arrange their own production and livelihood. In this respect we are absolutely correct. Generally speaking, the localities still have too few flexible financial resources and most of the enterprises still have not enough. However, the state has only so much financial income. The financial income of various levels can only be gradually increased after they have been given greater decisionmaking power. If the localities and enterprises all ask for too much flexible financial power, they are bound to infringe upon the financial income of the central government. If after obtaining flexible financial resources the localities and enterprises do not use them in the direction most urgently needed by the whole country but use them instead for carrying out redundant and wasteful construction resulting in the small squeezing out the big, this will not only be detrimental to readjustment but will also present all kinds of obstacles to readjustment work. In the last 2 years, because we have not promptly paid attention or carried out strict control in this direction, the progress of readjustment has been delayed. To correct this tendency, this year we have used such methods as state treasury bonds to temporarily centralize the surplus funds of the localities and enterprises in the central government for unified use in the direction most urgently needed by the state. China is a socialist country, and even though we have financial management by various levels, it is still a system of ownership by the whole people. When necessary, we may adopt the method of compensatory utilization to centralize scattered financial resources in the central government. At the same time, we must also study how to improve the system of financial management by various levels to ensure that the financial position of the central government will also succeed in balancing income and expenditure. In short, to ultimately overcome our economic difficulties, we must completely reform the economic management system. This is the key to eliminating waste and improving economic efficiency. From the long-term point of view, this is our strategic policy.

Our difficulties are difficulties that have arisen on the road of progress and we have the means to overcome them, therefore, there is no basis whatsoever for pessimism.

RENMIN RIBAO ON ECONOMIC RESULTS OF READJUSTMENT

HK031452 Beijing RENMIN RIBAO in Chinese 30 Mar 81 p 5

[Article by He Jianzhang [0149 1696 4545] and Zhang Zhuoyuan [1728 0587 0337]: "Exert Efforts To Raise the Economic Results"--capitalized passage published in boldface]

[Text] POOR ECONOMIC RESULTS ARE A SALIENT PROBLEM OF OUR NATIONAL ECONOMY

Since the downfall of the "gang of four," we have achieved considerable success in improving the results of our economic activities. However, some of our economic results are still very low and fail to measure up to the best previously attained levels.

In respect to capital construction, for every 100 yuan in accumulation and investments in fixed assets, the amounts of national income produced an average of 23 yuan and 34 yuan respectively during the 1976-79 period. These figures are much lower compared with those scored during the first 5-year plan period, which stood at 35 yuan and 52 yuan respectively.

With respect to production, raw material consumption is heavy. During the period of the first 5-year plan, the proportion of raw material consumption in aggregate social products was estimated to be 44.3 percent. It has continued to grow since the second 5-year plan and reached 56 percent in 1979. Between 1976 and 1979 raw material consumption in the industrial departments reached 65.9 percent, 3.2 percent higher than the lowest level of 62.7 percent attained in 1966. An important factor for the rise in the percentage of raw material consumption is the serious degree of wastage. Of the 71 targets for raw material consumption in the country's key industrial enterprises in 1979, 48 failed to measure up to the lowest previously attained levels. In 1979 energy consumption for every 100 million yuan worth of gross industrial and agricultural output value amounted to 95,000 dun of standard coal, 33,000 dun more than during the period of the first 5-year plan.

In respect to the turnover of circulating funds, for every 100 yuan worth of output value turned out by the country's state-run industrial enterprises in 1979, a circulating fund of 31 yuan was required on the average. This was 14 yuan more than the lowest level of 17 yuan attained in 1956. By attaining the lowest level, we could reduce circulating funds by 50 billion yuan each year. In the state-run commercial sector, every 100 yuan in sales income required a circulating fund of 49 yuan, 12 yuan more than the lowest figure of 37.1 yuan attained in 1956. By attaining this lowest level, we could reduce circulating funds by 14.2 billion yuan.

Poor economic results find concentrated expression in the slow rate of growth in per capita national income. In terms of U.S. dollars, China's rate of growth in per capita national income was faster than in the United States, the Soviet Union, Japan, Britain, France and West Germany in the 1950's. However, our growth rate lagged behind all of the above-mentioned countries during the 1960's and between 1971 and 1976.

The fact that our economic results are poor has something to do with our unreasonable economic system and the inappropriate leaning of the industrial structure toward heavy duty products. However, the most direct and cardinal cause is the serious disproportion in our national economy resulting from "leftist" mistakes in economic construction over the past two decades and more.

How are we going to raise our economic results? In order to raise the economic results, we must exert efforts in every way. On the whole we must thoroughly expose and criticize "leftist" mistakes, correctly orient the guiding ideology for economic construction and blaze a new path of economic development that is suited to Chinese conditions. At the present stage we must take further steps to firmly implement the policy of readjustment, restructuring, consolidation and improvement put forward by the party Central Committee. Specifically speaking, in addition to carrying out readjustment in enterprises and making a continuous effort to raise production, technical and managerial levels, we must do a particularly good job in the following three fields from macroeconomic considerations:

READJUST THE PROPORTIONS BETWEEN VARIOUS ECONOMIC SECTORS

In readjusting the proportions between various economic sectors, the central task is to reduce the scale of capital construction. In actual practice, this means readjusting the proportion between accumulation and consumption and, from then on, proceeding to readjust the proportions between various other sectors of the national economy, including the proportions between various industrial branches.

At present the most salient problems of our national economy are large deficits which have occurred in the previous 2 years, inflation and soaring prices. In essence, this state occurred because the total planned amount of accumulation and consumption, that is, the amount of national income used, exceeds the amount of national income produced. In recent years the earnings of the workers and peasants have increased by a large margin. In other words, consumption has gone up. On the other hand, we have been unable to reduce the scale of capital construction, the total amount of investments and accumulation. Because revenues and expenditures are not balanced and we are spending more than we can earn, deficits occurred. Deficits precisely reflect disproportions in the national economy.

In order to find a way out of the present difficulties, we must strive to strike a balance in finances, credits and materials and stabilize prices. Thus it is imperative that we cut down investments in capital construction.

By reducing the investments in capital construction, we can first of all narrow the scope of capital construction and overcome the practice of blindly building projects. As things now stand, the suspension of some capital construction projects would cause considerable losses, but this is inevitable. If some projects have to be stopped, it is better to do this earlier rather than later. If they are stopped earlier, fewer losses will be incurred. If they are stopped later, greater losses will be incurred. From a long-term point of view, given reduced investments in capital construction, a narrowed scope of construction, and a capital construction scale compatible with national resources, we can better shorten the period of construction, quickly increase the capacity for production and improve investment results.

By reducing investments in capital construction, we can get rid of those projects not urgently needed. This helps to control the development of products in excessive supply and better protects those urgently needed items. It helps to more quickly and properly increase those products in short supply and to energetically develop agriculture and light industry. This in itself is an important part of the effort to readjust the proportionate relations between the various sectors of the national economy.

By reducing investments in capital construction, we can also release large supplies of material resources, enabling existing light industrial, textile and other enterprises to work at full capacity. Given an existing shortage of materials and energy resources, our country cannot ensure that the existing 350,000 industrial enterprises can work at full capacity. By reducing the number of capital construction projects, we can divert the fuel, electricity and materials from some capital construction projects to enterprises devoted to producing products that are especially urgently needed at present. The latter enterprises should be given priority and provided with everything they need, so that they can give full play to their latent capacity for production.

In sum, by reducing investments in capital construction, we can not only gradually bring about a balanced budget, check inflation and maintain the stability of commodity prices but also effectively readjust the relations among the various sectors of the national economy. It can be seen that the readjustment of the ratio between accumulation and consumption is an important lever with which to reorganize the production structure and readjust the proportionate relations between various sectors of the national economy.

READJUST THE INDUSTRIAL STRUCTURE

To improve economic results, especially macroeconomic results, we must really take the concrete conditions of our country into consideration and build a rational industrial structure.

1. Given a large population and a weak foundation, it is very appropriate for our country to build a light structure. At present in the transition from the heavy structure to the light structure, we can first go through a period combining both light and heavy structures.

After a light structure is build, given a period of development and change in conditions, we may also again develop an economic structure which combines the light and heavy structures. But this is what is in the future. Therefore we must now pay more attention to developing agriculture and light industry. (Light industry yields great results from a small investment. In 1978, for every 100 yuan invested in light industrial enterprises owned by the whole people, we got 54.08 yuan in profits and taxes, and only 17.96 from heavy industry. The fixed period for returns on investments in light industry is 1 year and 10 months, while that for heavy industry is 5 years and 7 months.) We must, only on the basis of the development of agriculture and light industry, properly develop heavy industry. Meanwhile heavy industry must properly serve agriculture and light industry.

2. In light of such features as our country having a large supply of labor, an inadequate supply of energy resources and a shortage of raw and other materials, we must develop more labor-intensive trades and products, such as light and textile industries and handicrafts. (The energy consumption for the per unit output value of light industry is only one-fifth that of heavy industry.) In the technical field, we must accordingly introduce more intermediate or proper techniques, instead of blindly pursuing the most advanced techniques. Regarding the scale of an enterprise, we must have not only modern large-sized enterprises but also medium-sized and small enterprises in large numbers.

3. We must widely promote cooperation in specialized fields, develop the production and circulation of commodities, and encourage foreign trade. Thus the country and various areas can really give full play to their superior features, develop the strong points and avoid the weak ones, and pay better attention to the results of economic activities.

4. We must develop energy resources, communications and transportation, postal, and telecommunications services and other urban public services, in order to lay a sound foundation for the development of the national economy.

5. We must develop scientific undertakings to make science really a great prod to the four modernizations. We must develop cultural and educational undertakings and train enough qualified personnel to realize modernization.

Here we should particularly mention the reason our country should promote the light structure. What is the heavy or light structure? Generally speaking, the heavy structure means taking heavy industry as the mainstay of the social economy. The development of the social economy chiefly relies on the development of heavy industry. The output value of heavy industry not only tends to rise proportionally in regard to the total industrial and agricultural output value but also rises, independent, to a given degree, of the development of a country's agriculture and light industry. On the other hand, the light structure means taking agriculture and light industry as the mainstay of the social economy. The great part of social labor is distributed among agricultural and light industrial sectors. Heavy industry chiefly serves agriculture and light industry and develops only to meet the needs of the development of agriculture and light industry.

More than 80 percent of the population in China are peasants. Manual labor is the mainstay in agriculture, and labor productivity is very low. In such a big agricultural country funds for a heavy structure must inevitably come from the peasants. However, because of the low productive forces of agriculture, there is not much surplus labor. The huge amount of investments required for the construction of heavy industry will inevitably require the shifting of the internal accumulations of agriculture to heavy industry. Without necessary accumulations, expanded reproduction in agriculture will be affected, and this will infringe on the interests of the peasants. If the development of agriculture is slow and the increase in the income of the peasants is slow, there also cannot be a rapid development in light industry.

If this is continued, proportionate imbalance between agriculture, light industry and heavy industry cannot be avoided. This will inevitably result in an enormous waste of social labor and a reduction in the economic activity of the whole society.

In such a big agricultural country as China, if we develop heavy industry, particularly taking steel as the key link, in isolation of agriculture, we will not be able to bring our superiority into play but will instead be forsaking our strong points and adopting the shortcomings of others (most of the iron ores in China are of a poor quality and labor consumption for steel production is very high), so despite the herculean effort little results will be achieved. The inevitable result of this kind of structure will be very little final products which can be supplied for the basic necessities of life and poor economic results. Many countries in the world which developed from agricultural into industrial countries have generally first developed light industry mainly using agriculture. Later on because of the demand on heavy industry for the supply of more means of production, they carried out technical innovations and promoted the development of heavy industry on the basis of the development of their agriculture and light industry. This is the objective law governing the development of productive forces. We have violated this objective law in the past, and this has resulted in the lowering of economic activity.

Now we are making a call for the setting up of a light structure. This is because we are proceeding from national conditions in China and recognizing the objective law governing the development of agriculture and light industry. The development of heavy industry must be built on the basis of the development of agriculture and light industry. It must really serve agriculture and light industry. In this way, we not only will be able to keep on improving the standard of living of the people along with the development of socialist construction, but we will also be able to give a greater impetus to the development of the whole economy and improve economic results.

STEADILY REFORM THE ECONOMIC MANAGEMENT SYSTEM

The general orientation for the reform of the economic management system in China is, under the condition of adhering to the absolute superiority of the system of public ownership of the means of production and based on the demands of the law governing socialist mass production and commodity economy, to change the highly centralized state policy making system into a policy making system combining the state, economic units and workers, to change the unitary regulation by planning mechanism into one combining regulation by planning mechanism with regulation by market mechanism under the guidance of state plans, to change the mainly rely on party and government organs and administrative methods for managing the economy into mainly rely on economic organizations, economic methods and economic laws for managing the economy, mobilizing the initiative of various sectors and rationally organizing all kinds of economic activities, so as to obtain the maximum economic results with the minimum labor consumption and speed up socialist modernization.

In essence, the reform of the economic management system is that we must recognize that the socialist economy is a planned economy established on the basis of commodity economy. Socialist enterprises, including state-run enterprises, are still relatively independent commodity producers. We must recognize that in the socialist economy, under the logical premise that the basic interests between people and between the workers and collectives are identical, there are still disparities in economic interests. Therefore, in order to solve the problem of motive force in the development of the economy, we not only must in terms of material interests mobilize the enthusiasm of the workers, enterprises, departments and districts for developing the economy, but at the same time, we must also subordinate the economic interests of the workers, enterprises, departments and districts to the economic interests of the whole society.

This means that the state must by means of administrative intervention and various economic levers, mainly in the form of prices, taxes and interests, direct the economic results of individual units, so that they will be identical to the economic results and interests of the whole society.

Another important content in the reform of the economic system is that under the logical premise of genuinely implementing the superiority of the socialist public ownership of means of production many economic factors and forms of diversification exist side by side to meet the current needs of the multileveled development of productive forces in China. We must adopt flexible measures, allow the existence of various economic factors, extensively develop diversification, and in particular, energetically develop commercial and service trades. Some people are worried that adopting flexible measures and allowing the existence of various economic factors will weaken the socialist system. Such worries are unnecessary. Under the present conditions in China, the socialist system of public ownership has already gained absolute predominance. As long as it is properly handled, the existence of various economic factors side by side can only be advantageous to improving the economic management level of socialist enterprises and stimulating the development of the socialist economy.

We believe that following the readjustment of the proportionate relations of the national economy and the rationalization of the industrial structure and following the steady reform of the economic management system, China's socialist economy will become more flexible and vigorous and will be on the way to better and better economic results.

FIRST QUARTER OIL, GAS OUTPUT PLANS FULFILLED

OW031200 Beijing XINHUA Domestic Service in Chinese 1437 GMT 2 Apr 81

[Text] Beijing, 2 Apr (XINHUA)--China fulfilled the output plans for crude oil, natural gas and refined petroleum in the first quarter of this year, it was learned from the Ministry of Petroleum Industry. This is a good beginning in fulfilling the state's 1981 crude oil output plan of 100 million dun. Statistics show that in the period from January through March, China produced 24,968,000 dun of crude oil, 3,080 million dun of natural gas and 18.14 million dun of processed oil, topping the respective plans by 0.15 percent, 4.4 percent and 2.3 percent. The total output of gasoline, kerosene, diesel and lubricants was 7.9 percent over the state plan. Enterprises directly under the Ministry of Petroleum Industry overfulfilled the first-quarter plan for profits turned in by 4.8 percent.

To fulfill the state's 1981 crude oil output plan of 100 million dun and ensure the smooth progress of national economic readjustment, staff and workers of the petroleum industry at the very beginning of this year engaged in adjusting old oilfields and installing the necessary machines and equipment in newly opened oilfields. A total of 173 new oil wells were put into operation during the first quarter and subsurface work was generally improved. The production situation in all the major oilfields has turned for the better. The Daqing oilfields continue to maintain a steady output. The Shengli oilfields have exceeded all monthly crude oil output plans. In the first quarter the Liache oilfields repaired over 80 old oil wells and put 35 new ones into operation. The Renqiu oilfields have kept their output steady by making rational arrangements for crude oil output and taking positive readjustment measures.

NEW LEADING GROUP SET UP TO GUIDE TOURISM

OW061240 Beijing XINHUA in English 1226 GMT 6 Apr 81

[Text] Beijing, 6 Apr (XINHUA)--A new leading group under the State Council headed by Vice-Premier Chen Muhua has been set up to guide tourism in China. The group will examine and approve principles and policies regarding tourism in China, examine plans for the development of tourism and construction of tourist areas, coordinate the work of various departments concerning tourism and check the implementation of the principles, policies and plans. Members of the leading group include leading personnel of ministries and commissions under the State Council connected with tourism in this country.

ANHUI'S ZHANG JINGFU ADDRESSES AGRICULTURAL MEETING

OWO41134 Hefei Anhui Provincial Service in Mandarin 1100 GMT 3 Apr 81

[Report by (Guo Xiao Bao) and station reporters]

[Text] At a cotton, tobacco and silk cocoon production meeting held in Suxian Prefecture on 29 March, Zhang Jingfu, first secretary of the Anhui Provincial CCP Committee, discussed in particular the question of eliminating "leftist" ideology, perfecting the system of production responsibility and developing a diversified economy.

On the question of a production responsibility system, Zhang Jingfu said: To develop agricultural production, it is necessary to eliminate the "leftist" ideology and further perfect the system of production responsibility. In rural areas, a chaotic labor system, egalitarian distribution and regarding a diversified economy as capitalism are the prominent expressions of the "leftist" ideology. In perfecting the system of production responsibility, it is necessary to accurately understand the guidelines of the central documents and the realities at lower levels, give appropriate guidance in line with local conditions and refrain from seeking uniformity.

Generally there are three kinds of systems that can be adopted according to local conditions. The first is for longstanding poor and backward production teams known as "three-reliance households" and for production teams in remote and mountainous areas. This kind of system assigns farm output and labor quotas to individual households. The second is for areas possessing a better collective economic foundation and skilled management cadres. This kind of system contracts special production tasks with rewards calculated on the basis of output. The third is for production teams in the middle level in terms of production conditions and management. This system calls for uniform management with rewards calculated according to labor. This system is similar to the one adopted by Guzhen County, which assigns individual households quotas of crops that do not require (?machine planting). This system can give play to the strong points of collective economy and can arouse the initiative of commune members at the same time. A grassroots cadre vividly described this system as "walking on two legs." But no matter what kind of system is adopted, it is necessary to boldly strengthen leadership, intervene when necessary, use central documents to achieve unity in thinking, adopt effective measures to train cadres and strive to gradually improve and perfect the various systems of production responsibility in rural areas.

On the question of developing diversified economic undertakings, Zhang Jingfu emphasized: Diversified economic undertakings must take a big step forward if we are going to make our rural areas better off. All localities should pay attention to exploiting their strong points and, while increasing grain production, promote the development of cotton, oil-bearing crops, tobacco and other cash crops. They should regard sorghum as a cash crop and promote its production accordingly. In animal breeding, they should emphasize cows, sheep, rabbits and other herbivorous animals. In addition, they should encourage commune members to continue to raise pigs. They should also make full use of skilled craftsmen to restore the production of traditional brand-name handicraft products. They should develop sideline occupations such as weaving, housing construction, cement production and furniture manufacturing. They should earnestly implement the policy of promoting sideline production by giving rewards. They must make good the promise to give grain and coal as rewards to people who produce more cotton and tobacco than their quotas in order to win people's trust. They should also appropriately expand the areas of fodder-growing fields, encourage commune members to continue to plant trees around their houses and villages, and along roads and rivers, and make every effort to explore ways to make money and become better off.

In conclusion, Zhang Jingfu encouraged participants to invigorate themselves, work hard, talk less, concentrate on their tasks and make solid progress under the party's leadership.

HEFEI RALLY URGES FIGHT AGAINST CRIMINAL PURSUITS

OW032328 Hefei Anhui Provincial Service in Mandarin 1100 GMT 3 Apr 81

[Text] The Hefei Municipal People's Government held a rally at the municipal stadium on the afternoon of 3 April to call for further mobilizing the people throughout the municipality to deal resolute blows at criminal activities, to maintain public order and to consolidate and develop the political situation of stability and unity in order to ensure the smooth development of the four modernizations.

Some 8,000 workers, peasants, students, residents and cadres of provincial and municipal government offices in Hefei attended the rally in spite of the rain.

In his speech at the rally, Wei Anmin, mayor of Hefei Municipality, pointed out: The municipality's public order situation as a whole is good. However, we must clearly understand that although class struggle is not the principal contradiction in our society today, class struggle does exist and we must not take it lightly. There are some unworthy elements who are engaged in dishonest work and desperados who risk danger in desperation and sometimes disturb people's tranquillity, and so we must wage a resolute struggle against them.

Mayor Wei Anmin called on the people throughout the municipality to further deepen their understanding of the importance of consolidating public order, to use the law as a weapon and to concentrate their efforts to deal blows at all counterrevolutionaries and criminals carrying out sabotage activities. They should conscientiously strengthen their sense of organization and discipline, carry out extensive "five stresses" and "four beauties" activities to promote decorum and courtesy, strengthen controls in all aspects and take effective precautions in public security. They should make vigorous efforts to get jobs for educated youths and other people who are looking for jobs. They should help get jobs for them and try to solve practical problems.

At the rally, (Wang Wenzhao), president of the Hefei Municipal Intermediate People's Court, announced the provincial Higher People's Court's ruling on an appeal by murderer (Zhou Zemin) after being sentenced to death. The ruling upheld the death sentence and called for its immediate execution.

ANHUI PROVINCE HOLDS MEETING ON YOUTH EDUCATION

OW040138 Hefei Anhui Provincial Service in Mandarin 1100 GMT 2 Apr 81

[Excerpts] The provincial conference on youth education work was held on the morning of 1 April in Hefei. Lan Ganting, deputy secretary of the Anhui Provincial CCP Committee, presided over the meeting and Hu Kaiming, Standing Committee member of the provincial CCP Committee and director of the provincial leading group for youth education, made a work report entitled "Strengthen the Leadership, Practice Division of Labor and Cooperation and Wage a Total War for Youth Education."

Comrade Hu Kaiming said: Following the guidance of the central authorities' instruction on strengthening youth education work, party organizations and departments concerned throughout the province have paid greater attention to this work in the past 2 years. Chiefly, they have done the following tasks:

1. They have conducted an investigation of young people's ideological condition and strengthened specific ideological education;
2. They have conducted extensive education in the four basic principles;
3. They have conducted education in communist ethics in urban and rural areas;
4. They have done a great deal of work in transforming young people who made mistakes;

5. They have made positive arrangements for young people awaiting jobs--in the past 2 years 500,000 of this province's 630,000 young people awaiting jobs or 80 percent of them, were employed; and

6. The news media and the publication and cultural departments have done extensive propaganda work among young people in coordinating activities.

These tasks, done over a sustained period of time, plus the efforts by all other sectors, have resulted in a remarkable change in the young people's mental outlook. They are studying diligently, working hard and striving to become advanced elements--this is gradually becoming a common practice. However, we have just begun our task and problems are still numerous. The whole party must be mobilized to effectively continue the task.

We should clearly see that some of the young people, poisoned or influenced by leftist ideas, still harbor doubt about or even oppose the four basic principles. Some go astray and break the law and commit crimes. We should never take this situation lightly. We must make greater efforts to strengthen education among them and conduct in a widespread, deepgoing and sustained manner such activities as learning from Lei Feng and the "five stresses and four beauties" in order to build socialist spiritual civilization and enable young people to grow healthily.

Comrade Hu Kaiming stressed that ideological education among young people should be coupled with solutions to their practical problems. Among the many practical problems awaiting solutions are:

1. Construction of sites for spare-time activities. The provincial CCP Committee demands that all facilities for young people's spare-time activities which are occupied by other units be vacated this year. Units occupying such facilities and unable to vacate them must provide funds to build new ones. The eight municipalities under the provincial jurisdiction and the four under the prefectural jurisdiction should construct their respective youth and young teens palaces within 3 years. Cities should gradually build their self-support networks for young activities and rural production brigades should gradually set up cultural rooms or young men's centers to stimulate young people's spare-time cultural life.

2. Establishment of nonschool education networks. These networks take care of those young people who have failed to advance to a higher level of schooling and are staying at home or roaming the streets. This education and control task should not be ignored. Therefore, we must establish nonschool education networks of various types in accordance with local conditions and pay great attention to this weak link of nonschool education.

3. Continued arrangements for young people awaiting jobs.

In short, we should think more about the interests of young people and solve their practical problems with greater efforts.

Comrade Hu Kaiming said finally: To effectively strengthen the leadership of education of young people, the provincial CCP Committee holds that party committees at all levels should set up leading groups for youth education. Neighborhoods in cities and communes in the countryside should have such leading groups.

Youth education is a social problem and a major task of the whole party and the entire society. Under the unified leadership of all party committees, we must mobilize all sectors to make it a success through division of labor and cooperation.

FUJIAN MEETING VIEWS PROBLEMS IN BUSINESS DEALINGS

OW052155 Fuzhou Fujian Provincial Service in Mandarin 1035 GMT 4 Apr 81

[Excerpts] At the Overseas Chinese building on the afternoon of 1 April, Xiang Nan, Ma Xingyuan, Wu Hongxiang and other party and government leaders in the province as well as comrades of some provincial departments concerned and of Fuzhou, Xiamen and other localities heard the opinions of members of the provincial CPPCC Committee from Hong Kong and Macao.

The members of the provincial CPPCC Committee from Hong Kong and Macao include personages in financial, trade, industrial, commercial, cultural and educational circles in Hong Kong. With ardent love for their motherland and native place, they expressed a number of pertinent opinions on the implementation of a special policy and flexible measures and on the building of a special zone in our province. They also criticized some cadres for a work style contrary to the party's fine tradition and commented on social tendencies.

(Zhang Ji), general manager of the Hong Kong branch of the China Bank, spoke first at the forum. After analyzing various favorable conditions for developing Fujian's economy and dealing with various ways to solicit foreign capital and develop foreign trade, he said: The present objective conditions are very good, but the key to making full use of these conditions lies in how we are going to carry out our work in this regard. It is essential to have an overall plan for the development of the economy and to have a leading body and an administrative office that are conscientious and versed in their professional work and mean what they say.

He said: When businessmen come to Fujian from abroad, their main purpose is to discuss business. What they fear most is that their counterparts cannot make decisions themselves. No agreement can be reached after holding talks for 3 or 5 days or even after half a month or a whole month. At the end of such talks, their counterparts say they want to study the matter further. Some of these talks end with nothing definite.

In discussing such questions with members of the provincial CPPCC Committee from Hong Kong and Macao, Comrade Xiang Nan said: When some officials discuss some matters, they often get more and more offices involved. Thus, they cannot settle any matters. If this problem is not solved, people will be worn down and their undertakings will be seriously affected. How can we develop the economy this way?

In discussing the poor quality of services with members of the provincial CPPCC Committee, Comrade Xiang Nan said: People have long been shackled by leftist ideas. Our wage system and the system of distribution fail to link the interests of the state with those of service personnel. Under this system, no distinction is made between those who do more work and those who do less, between those who do a good job and those who do a poor one and between those who work and those who do not. Under such circumstances, as far as service personnel are concerned, the fewer customers, the better; it is even better to have no customers at all.

Members of the provincial CPPCC Committee suggested that measures be taken at all levels to improve the service attitude and sanitation, to establish reasonable charge rates and to reform the management system. Thus, picturesque Gulangyu and Wuyi mountain will attract more tourists.

(Yang Zhengzhi), executive director of the Chinese Chamber of Commerce and manager of the (Nanyang) Brothers Tobacco Company, commented on unhealthy tendencies among some cadres. He said: Some of my friends told me that a few cadres sought small gains. When they went to Hong Kong, they did not go there to handle official business; they went to buy televisions, portable cassettes, and radio sets. This really distresses people.

Members of the provincial CPPCC Committee firmly believed that the party can solve these problems. They urgently asked the provincial authority to come up with a plan and guidelines on investment so they can do more to build up their native place. Comrade Xiang Nan then and there instructed (Zhao Zhongxin), responsible person of the provincial investment company, to handle this matter well as soon as possible.

FUJIAN OVERSEAS CHINESE CPPCC MEMBERS ON ECONOMY

OW032340 Fuzhou Fujian Provincial Service in Mandarin 1035 GMT 2 Apr 81

[Excerpts] Overseas Chinese members of the Fourth Fujian Provincial CPPCC Committee attending its third session have in the past few days discussed Governor Ma Xingyuan's report on the work of the provincial People's Government to the third session of the fifth provincial People's Congress.

They voiced warm support for the decision of the CCP Central Committee and the State Council not to change the special policy and flexible measures to be implemented in Fujian during the further readjusting of the national economy. They said: The central authorities have placed ardent expectations in our province. We should make full use of the province's favorable conditions such as its being close to Hong Kong and Macao, having convenient sea transportation and a large number of Overseas Chinese from the province. Taking advantage of the favorable current international situation, we should make use of foreign and Overseas Chinese capital to develop the economy as quickly as possible.

More and more Overseas Chinese from the province have built enterprises for public good in their native land in the past few years. Members of the provincial CPPCC Committee held that it is necessary first of all to implement the policies on Overseas Chinese affairs, including the policy toward persons in housing and overseas remittance policies, in order to arouse the enthusiasm of Overseas Chinese and to do a good job in handling Overseas Chinese affairs.

A member of the provincial CPPCC Committee suggested that the concerned departments plan as early as possible for soliciting and making use of foreign and Overseas Chinese capital to build enterprises in Fujian. They also suggested that good use be made of the ability and wisdom of Overseas Chinese and foreign experts. Many Overseas Chinese have professional knowledge and are eager to return home to devote their abilities to the motherland. We should warmly receive them and make proper arrangements for them.

JIANGSU CHIEF PROCURATOR REPORTS ON JUDICIAL WORK

OW061219 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 5 Apr 81

[Text] Wei Yongyi, chief procurator of the Jiangsu Provincial People's Procuratorate, made a report on the work of the people's procuratorates at the plenary meeting of the Third Session of the Fifth Jiangsu Provincial People's Congress this afternoon.

He said: The people's procuratorates at various levels in this province must firmly adhere to the four basic principles. They should learn well how to use law as their weapon and rely on the masses to resolutely strike at counterrevolutionaries, criminals of all kinds and active sabotage activities in order to further protect stability and unity and create a favorable social order for the successful implementation of the economic readjustment.

He said: During the past year, the people's procuratorates at various levels in the province have carried out their work in six fields: They have made efforts to maintain social security, strengthen criminal investigations and resolutely strike at counter-revolutionaries and other criminals. They have protected the socialist legal system, actively launched inspection work on the implementation of law and discipline, and prosecuted those who have seriously violated law and discipline and held them responsible for their criminal activities. They have carried out investigations and studies on economic work to protect economic order in the society. They have actively inspected the work of prisons, corrected the behavior of those who rejected transformation and firmly implemented the policy of reeducation. They have taken part in reviewing and redressing cases where people were framed or wrongly charged and implemented the party's policies. They have conscientiously handled the people's visits and letters in order to protect the people's democratic rights.

He pointed out: Generally speaking, the situation of security in the society of this province is good. However, there are still some factors which may cause instability. The people's procuratorates at various levels must work in coordination with public security departments and the people's courts to strictly implement all laws. They should fully develop the role of the organ of the people's democratic dictatorship, resolutely strike at and eliminate all forces which may wreck stability and unity and resolutely strike at eliminating the remnant forces of the Lin Biao-Jiang Qing cliques. They should resolutely strike at and guard against all kinds of criminal activities. They should protect the people, strike at the enemies and punish the criminals. They should pay attention to making investigations and studies to better understand the actual situation and further promote the work of the procuratorates.

JIANGSU ENSURES GRAIN RATION FOR COTTON GROWERS

OW060639 Beijing XINHUA Domestic Service in Chinese 0106 GMT 6 Apr 81

[Excerpts] Nanjing, 6 Apr (XINHUA)--Taking advantage of favorable conditions, cotton producing areas in Jiangsu Province are actively preparing for cotton farming.

Last year, grain and cotton production of the major cotton producing areas in Jiangsu Province declined due to serious natural calamities. However, because of proper arrangements by various provincial, prefectural and county party committees and governments, the basic grain ration for peasants who grow cotton has been ensured and their enthusiasm for growing cotton has not been dampened. Presently, the various cotton producing areas are rationally readjusting the distribution of cotton plantations according to local conditions. They are determined to seize a bumper cotton harvest this year by not reducing the acreage for cotton growing.

After finishing a preliminary selection of cotton seeds, Nantong Prefecture is now reselecting fine cotton seeds while Yancheng Prefecture has already selected 36 million jin of fine cotton seeds. The province has also expanded the transplanted acreage of cotton seedlings under plastic film to more than 5 million mu. Technical training has also been conducted at an earlier date than in previous years and the number of people who have received training has risen. According to statistics from Nantong and Yancheng Prefectures, some 250,000 people have already been trained at the prefectural, county and commune levels.

JIANGXI PEOPLE'S CONGRESS SESSION ENDS 4 APR

OW051108 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 4 Apr 81

[Text] The third session of the fifth provincial People's Congress lasted 7 [as heard] days and came to a successful close this afternoon at the "1 August" auditorium in Nanchang Municipality after fulfilling its planned tasks.

Attending the closing ceremony were Yang Shangkui, Liu Junxiu, Luo Mengwen, Zhang Yuqing, Ye Changgeng, Li Fangyuan, Xu Min, Gu Jiguang and Xie Xianghuang, permanent chairmen of the presidium of the session. Also present at the closing ceremony were responsible comrades of the provincial party, government and army organizations and the provincial CPPCC Committee, namely, Jiang Weiqing, Bai Dongcai, Fu Yutian, Fang Zhichun, Di Sheng, (Wu Ping), Wang Zhaorong, Zhao Zhijian, Wang Shixian, (Wang Zemin), (Li Qian), Li Shizhang, Zhang Guozhen, Fang Qian, Liang Kaixuan, Zhang Chuangchu, (Wang Linde), Zhong Ping, Pan Shiyan, He Shikun, Lu Xiaopeng, Shen Hanqing, Zhu Kaiquan and Li Huafeng; President of the provincial Higher People's Court Liu Bin; Chief Procurator of the provincial People's Procuratorate Chen Keguang; and other members of the presidium of the session. Lai Shaoyao and Liu Jianhua, vice chairmen of the provincial CPPCC Committee, who attended the third session of the fifth provincial People's Congress as nonvoting participants, were also present at the closing ceremony. The closing ceremony was presided over by Li Fangyuan, vice chairman of the Standing Committee of the provincial People's Congress.

The session unanimously adopted a resolution on the report dealing with the 1981 economic readjustment in the province. Also adopted were a resolution on the 1979 and 1980 final accounts and the 1981 financial budget of Jiangxi Province, and resolutions on the work reports of the Standing Committee of the provincial People's Congress, the provincial Higher People's Court and the provincial People's Procuratorate. The session heard and adopted a report delivered by Xie Xianghuang, chairman of the Motions Examination Committee, on the examination of motions.

Amid warm applause, Yang Shangkui, chairman of the Standing Committee of the provincial People's Congress, began a closing address:

[Begin recording] All deputies, this session is a real success. From beginning to end, it reflects the spirit of the work conference of the party Central Committee and is permeated with the atmosphere of democracy and unity, vigor and liveliness. The deputies have unanimously expressed firm support for the important principle of further economic readjustment and political stability set forth by the party Central Committee and the State Council and vowed to earnestly put it into practice in connection with the reality of our province. Entrusted by the people of the province, the deputies have brought to the session the opinions, wishes, demands and suggestions of the masses; happily reviewed the excellent situation at present; affirmed the achievements on various fronts; and analyzed current problems. They have pooled their wisdom and offered many valuable suggestions on how to make a success of economic readjustment, develop production, increase income, promote socialist spiritual civilization and do a good job in many other fields. With regard to the problems encountered in economic construction and other areas of work, they have put forward frank opinions and criticism. Representatives from various government organizations and pertinent departments have come to the session to listen to the deputies' opinions. Certainly the session has displayed the role of the people's deputies as masters in managing state affairs.

We hope that the people's governments and pertinent departments will seriously and responsibly study and implement the various opinions, suggestions and motions put forward by the deputies. The Standing Committee of the provincial People's Congress will earnestly and responsibly check and supervise the work of the governments and departments concerned in this respect.

The session has made new progress in carrying forward socialist democracy and in practicing the People's Congress system. However, we must continually try to further develop and perfect our socialist democratic system and to give full scope to the role of the people's congresses in various localities as the highest local organ of state power. [end recording]

Comrade Yang Shangkui pointed out in his closing address: An important task before the people of our province is to resolutely implement the guidelines of the central work conference and, in line with the arrangements made at the work conference of the provincial party committee, seriously carry out the various resolutions of this congress in order to further push forward the economic readjustment of our province and to ensure true political stability. Standing committees of the people's congresses at all levels, people's governments at all levels and all departments, especially departments in charge of economic affairs, should conscientiously and seriously eliminate the "leftist" ideology and completely free themselves from the "leftist" influence in their respective fields. They should draw on historical experience and lessons and uphold the policy of seeking truth from facts and proceeding from reality in everything they do in order to guide our economic construction to the course of truly sound developments.

To ensure the smooth progress of the economic readjustment of our province, Comrade Yang Shangkui asked every comrade and every government department to deepen their understanding of the significance of stability and unity, uphold the four fundamental principles, strengthen ideological-political work, promote the building of a socialist spiritual civilization, strengthen socialist democracy and the socialist legal system, uphold the people's democratic dictatorship, improve the mode of thinking and work style and safeguard and develop political stability and unity by concrete actions. Comrade Yang Shangkui concluded:

[Begin recording] Fellow deputies: As the people's deputies, we shoulder a glorious but grave responsibility. As representatives of the people--the masters of the country--we have the democratic rights of taking part in administering state affairs. At the same time, we have the unshakable responsibility of leading the people in implementing the various tasks of the party and state. After the conclusion of this congress we should promptly transmit the guidelines of this congress to the people throughout the province. We should set examples for the people, mobilize and lead them in carrying out the various tasks of this congress.

I hope that every deputy will become a model in implementing the party's line, principles and policies, in carrying out the guidelines of this congress, in promoting production and work in their respective fields and in observing law and discipline and fostering new socialist ethics. I hope every deputy will truly shoulder the responsibility of a people's deputy and make new contributions to the (?interests of the people) and the four modernizations.

Let the people of our province rally more closely around the CCP Central Committee and, under the direct leadership of the Jiangxi Provincial CCP Committee, work together with one heart; foster the glorious revolutionary traditions of hard work and plain living of our Jiangxi people; resolutely implement the line, principles and policies of the party adopted since the third plenary session of the party Central Committee; remove all interference and overcome all difficulties in order to carry out the various tasks adopted by this congress; and speed up socialist construction in our province. I now declare the successful conclusion of the Third Session of the Fifth Jiangxi Provincial People's Congress. [applause] [end recording]

Members of the fourth provincial CPPCC Committee attending the third committee session, responsible comrades of the provincial departments and units, and responsible comrades of the standing committees of the county, municipal and ward people's congresses attended the closing session as observers.

The congress ended with the majestic national anthem.

JIANG WEIQING ATTENDS END OF JIANGXI CPPCC SESSION

OW061713 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 5 Apr 81

[Report on closing of Third Session of Fourth Jiangxi Provincial CPPCC Committee--portions recorded]

[Text] After 9 days in session, the Third Session of the Fourth Jiangxi Provincial CPPCC Committee successfully ended. A closing ceremony was held in the Dr Sun Yat-sen Hall in Nanchang Municipality.

The meeting called on the province's people of all nationalities, various democratic parties, all mass organizations and personages of various circles to rally closely around the party Central Committee, to work together with one heart, to pool their wisdom and strength and to work hard for the fulfillment of various tasks related to the current readjustment program, for the development of the excellent situation of stability and unity, for the realization of the four modernizations, for the prosperity of the nation, for the early return of Taiwan to the motherland and for the unification of the motherland.

Attending the closing ceremony were responsible comrades Jiang Weiqing, Yang Shangkuai, Liu Junxiu, Mo Ping, Zhang Yuqing, Li Fangyuan, Xie Xianghuang and Liang Kaixuan of the Jiangxi Provincial CCP Committee; the Standing Committee of the Jiangxi Provincial People's Congress; and the Jiangxi Provincial CPPCC Committee. Also attending the closing ceremony were Fang Zhichun, chairman of the provincial CPPCC Committee; and Vice Chairmen of the provincial CPPCC Committee Luo Mengwen, Li Shizhang, Zhong Ping, Lai Shaoyao, Gu Jiguang, Pan Shiyao, He Shikun, Lu Xiaopeng, Shen Hanqing, Zhu Kaiquan, Li Huafeng and Liu Jianhua.

During the meeting period, all comrades heard and discussed a report by Vice Chairman Luo Mengwen on the work of the provincial CPPCC Committee Standing Committee and a report by Vice Chairman Zhong Ping on the handling of proposals of the Second Session of the Fourth Jiangxi Provincial CPPCC Committee. All comrades also attended the third session of the fifth provincial People's Congress and heard and discussed a report by provincial Vice Governor Wang Shixian on the province's economic readjustment in 1981 along with other various important reports. The meeting adopted resolutions of the Third Session of the Fourth Jiangxi Provincial CPPCC Committee and a resolution on motions examination. It adopted a report on motions examination and elected (Wang Qiuxin) and (Liao Chaolun) to the Standing Committee of the fourth provincial committee.

Comrade Li Shizhang presided over the closing ceremony. Vice Chairman Gu Jiguang delivered a closing speech. He said:

[Begin recording] Chairman, fellow comrades: Under the guidance of the work conference of the CCP Central Committee and with the warm concern of the Jiangxi Provincial CCP Committee, the Third Session of the Fourth Jiangxi Provincial CPPCC Committee, thanks to the joint efforts of all comrades attending this meeting, has successfully fulfilled various tasks after 9 days in session. From beginning to end, the meeting was guided by the guidelines of the work conferences of the CCP Central Committee and the provincial CCP Committee. It has given full play to democracy. All comrades attending the meeting have emancipated their minds and spoken out freely. They have conducted earnest and warm discussions and have focused their attention on the major issues of readjusting the national economy, promoting stability and unity and strengthening political work among the people. They have offered many valuable views and made feasible proposals. It was a lively meeting and achieved great results. It was a meeting of democracy and unity and earnestly implemented the guidelines of work conferences of the party Central Committee and the provincial CCP Committee. The meeting has enhanced our confidence in further promoting economic readjustment and political stability in our province. After this meeting, all comrades attending it gained a deeper understanding of the guidelines of the work conferences of the CCP Central Committee and the provincial CCP Committee. They now further understand the current political and economic situation of the whole nation and of our province. They have come to appreciate the urgency of the task of economic readjustment in our province. They further understand the important position and responsibility of the people's political consultative conference in our nation's political system. They now comprehend the honored duties and mission of the people's political consultative conference in the new historical period. They have been inspired by the revolutionary spirit and have strengthened their sense of responsibility as masters of the state. They have steadied their confidence and raised their enthusiasm in implementing the party Central Committee's policy for making further economic readjustment and promoting stability and unity and in fulfilling the various honored tasks of the people's political consultative conference.

Committee members, comrades: Our meeting is one of great significance. I earnestly hope that after this meeting, all CPPCC members, CPPCC's at all levels, the various democratic parties and mass organizations will promptly convey and implement the guidelines of this meeting well, earnestly study and resolutely implement the guidelines of the work conferences of the party Central Committee and the provincial CCP Committee, seriously study and unswervingly implement the guidelines of the third session of the fourth provincial CPPCC Committee and fulfill various tasks related to the readjustment of the national economy.

It is necessary to earnestly implement the various resolutions of the third session of the fourth provincial CPPCC Committee, to strive to fulfill the various tasks proposed by the meeting, to seriously summarize and resolutely eliminate the influence of leftist ideas and to promptly improve and strengthen our political work. It is necessary to strengthen investigation and study in order to understand the masses and promptly reflect their views and demands. It is necessary to persistently uphold the four basic principles, perform day-to-day jobs, do ideological and political work well, further unite with people of various nationalities and circles of our province, mobilize all positive factors, consolidate and develop our province's revolutionary united front, safeguard and further promote the political situation of stability and unity and contribute to the successful fulfillment of the task of economic readjustment in our province, the promotion of the four modernizations, the early return of Taiwan to the motherland and the realization of unification of the motherland.

Now I announce the successful closing of the Third Session of the Fourth Jiangxi Provincial CPPCC Committee. [end recording]

JIANGXI HOLDS ECONOMIC READJUSTMENT FORUM

OW042105 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 3 Apr 81

[Excerpts] Bai Dongcai, secretary of the Jiangxi Provincial CCP committee and governor of Jiangxi Province, invited a number of deputies to the third session of the fifth provincial People's Congress and a number of CPPCC members to the third session of the fourth provincial CPPCC Committee to a discussion meeting at the Jiangxi guesthouse on the morning of 3 April. He solicited the latter's opinions on the province's economic readjustment and government work.

Attending the discussion meeting were provincial Vice Governors Fu Yutian, Wang Shixian, Li Shizhang, Xu Qin, Zhang Guozhen and Liang Haixuan.

(Peng Guangxian), (Xue Shiping), (Wan Yousheng), (Xie Shinchuan), (Hu Xinya), (Tu Chuangui), (Zhang Zhengyong), (Zhang Ben), (Li Jinfang), (Mu Yanxiong), (Li Juxiang) and (Hu Shigui) spoke at the discussion meeting.

They unanimously maintained that the proposal for readjusting Jiangxi's economy made by provincial Vice Governor Wang Shixian in his report at the third session of the fifth provincial People's Congress is sound and feasible. They added that it is in line with the guidelines of the CCP Central Committee's work conference and is suited to the province's real conditions.

They made many specific proposals and offered many views at the discussion meeting.

Comrade (Xie Shiping) maintained that because agriculture constitutes the foundation of the national economy, the promotion of agricultural development is an important issue in economic readjustment. He made a three-point proposal--restructuring agriculture, improving the people's livelihood and vigorously developing the livestock industry.

Comrade (Wan Yousheng) suggested that the party's policy on traditional Chinese medical science be earnestly implemented and there will not be a lack of successors to practitioners of traditional Chinese medicine.

(Xie Zhichuan) said: To make our province's economic readjustment a success and to boost its economy, departments concerned in the provincial People's Government should conduct serious discussions and studies on how to obtain more foreign exchange. He maintained that it is necessary to change erroneous past practices and strive to improve the processing industry in order to increase exports. He proposed to develop tourism vigorously and make full use of the province's excellent natural scenery to attract more tourists.

(Tu Chuangui) made proposals for accelerating the province's hydroelectric power industry. He suggested the formulation of feasible plans that are based on reality to comprehensively utilize the province's rivers and actively tap the province's water resources.

(Zhang Chengrong) said: Now that the party's rural economic policy has been implemented in our province and the situation is very good in the countryside, higher-level party and government departments must strengthen education among basic-level cadres, carry forward the party's fine traditions and work styles and resolutely correct unhealthy practices.

(Zhang Ben) said: Because our province's scientific and technological development is too slow, it is actually holding back the province's economic development. He hoped the government departments will strengthen the building of scientific and technological contingents and foster talents in this regard.

Provincial Governor Bai Dongcai spoke at the discussion meeting. He first expressed appreciation on behalf of the People's Government for the views and proposals offered by everyone. He pointed out in his speech that for many years the province has done rather well in grain production, but it has failed in cotton planting and other industrial crops and in developing a diversified economy.

To solve this problem, it is necessary to do well in three areas. First, it is necessary to give the peasant decisionmaking power. Second, it is necessary to implement various forms of the production responsibility system. Third, it is necessary to give peasants tangible economic benefits. In his speech, he also pointed out that the economic results of the province's industrial production are rather poor. It is necessary to reform the province's industrial structure effectively, correct the long trend of stressing heavy industry while neglecting light industry and strive to improve industrial management.

Comrade Bai Dongcai hoped that personages of various circles would contribute to the task of readjusting our province's economic work.

SHANDONG HOLDS SCIENCE, TECHNOLOGY CONGRESS

Report by Association Chairman

SK032306 Jinan Shandong Provincial Service in Mandarin 2300 GMT 2 Apr 81

[Excerpts] Entrusted by the first committee of the provincial Scientific and Technological Association, Zheng Zijiu, chairman of the provincial Scientific and Technological Association, delivered a work report on the morning of 1 April to the second congress of the provincial Scientific and Technological Association. The report is entitled "Work Hard With One Heart and One Mind To Make Contributions to Shandong's Scientific and Technological Undertakings."

The report is in four parts: 1) a review of the course of scientific and technological development; 2) major experiences; 3) tasks for the new period; and 4) reliance on the party's leadership and the strengthening of scientific and technological construction.

Since its inauguration in 1959, the provincial Scientific and Technological Association has endured many difficulties and setbacks. However, generally speaking, its achievements predominate. In particular, with the shift of the party's work emphasis since the 3d Plenary Session of the 11th CCP Central Committee, the provincial Scientific and Technological Association has made new advances in work. Scientific and technological associations have been reestablished in all prefectures and municipalities in the province. Over 93 percent of the counties, cities and districts in the province have resumed or established such associations. The province have resumed or established such associations. The province has 58 provincial-level learned societies and has resumed and established 390 such associations at the prefectural, municipal and county level. There are some 53,000 association members throughout the province. In the past 3 years, such associations at all levels have launched 781 academic activities of various kinds under the support of departments concerned, and some 35,200 persons have participated in them. These activities have focused on the province's economic construction and the people's actual needs in livelihood, thus not only enlivening the atmosphere of academic activities and promoting scientific research at various branches of learning but also solving many problems in developing industry and agriculture. These activities have also served as advisory organs for the party and government.

Scientific and technological associations at all levels and their subordinate societies, associations and research groups have sponsored various kinds of training classes and fostered many talented persons. They have offered 5,890 lecture courses on popular sciences, and some 3.45 million people have attended these courses. In addition, they have published some 29.96 million copies in 438 types of academic and popular scientific papers, periodicals and materials in the past 2 years.

The report notes the following major experiences in scientific and technological work:

1. Clearly understand the quality of scientific and technological associations to enable the associations to advance in a correct way.
2. Give full play to the role of such associations in line with their special features.

3. Launch activities around the party to serve construction.
4. Closely work with departments concerned and take concerted actions.

In speaking of the tasks for the new period, Zheng Ziji said: The party Central Committee work conference decided to carry out the principle of further readjusting the national economy and achieving greater political stability. In implementing this principle, the broad masses of the scientific and technological personnel throughout the province should give full play to their initiative and creativity, integrate production with reality and conduct various kinds of scientific and technological activities in a down-to-earth manner.

In the field of strengthening scientific construction, the report stresses: Scientific and technological associations at all levels should closely rely on the party's leadership, carry forward the spirit of creativity and do their work actively, voluntarily, conscientiously and responsibly. It is necessary to strengthen ideological work and to improve work style among scientific and technological personnel and establish close ties with them to safeguard their legal rights and welfare.

Congress Ends

SK060158 Jinan Shandong Provincial Service in Mandarin 2300 GMT 5 Apr 81

[Excerpt] After successfully fulfilling all scheduled tasks, the second congress of the Shandong Provincial Science and Technology Association triumphantly concluded on 5 April following a 5-day session.

Attending the closing ceremony were responsible persons of the provincial CCP Committee, the provincial People's Government, the Jinan PLA units and the provincial CPPCC Committee, including Bai Rubing, Zhao Lin, Qiang Xiaochu, Gao Qiyun, Zhao Bing'an, Long Qian, Yu Jianchun, Xu Leijian, Yang Jieren, Zhou Zhijun, Liu Peng, Zhang Jingtao, Zheng Ziji, Ding Fangming, Xu Meisheng and Fang Zongxi. Pei Lisheng, vice chairman of the China Association for Science and Technology and secretary of its party group, attended the closing ceremony and gave a speech on behalf of the China Science and Technology Association. The closing ceremony was chaired by (Pan Chengzhen) and (Jiang Shihe), executive chairmen of the congress.

The results of the election held on 4 April were announced at the congress. One hundred and thirty-one representatives were elected committee members of the second congress of the Shandong Provincial Science and Technology Association. Resolutions of this congress and a letter of proposal from all congress representatives to scientific and technological personnel throughout the province were adopted. Professor Fang Zongxi gave a closing address on behalf of the congress presidium.

SHANGHAI FIRST SECRETARY ADDRESSES ADVISORY MEETING

OW070407 Shanghai City Service in Mandarin 1130 GMT 6 Apr 81

[Text] The Third Session of the Seventh Shanghai Municipal People's Congress and the Third Session of the Fifth Shanghai Municipal CPPCC Committee will open soon. The Shanghai Municipal CCP Committee invited personages of various democratic parties and other circles to take part in a democratic consultative conference on the afternoon of 6 April to discuss how to successfully convene the municipal NPC session and the municipal CPPCC session.

Chen Guodong, first secretary of the Shanghai Municipal CCP Committee, presided over the conference and delivered a speech on behalf of the municipal CCP Committee.

Chen Guodong said: The main topics of the two meetings are how to successfully promote the readjustment of the national economy and how to further develop the excellent situation of stability and unity in Shanghai.

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He asked participants of democratic parties and other circles to speak freely and offer their advice in order to successfully convene the two meetings and further improve various kinds of work in Shanghai. Comrade Chen Guodang also explained matters of common concern to the participants.

The participants enthusiastically spoke on how to successfully convene the two meetings and on a number of other important issues. (Li Chuzai) spoke on behalf of Zhao Zukang, Tan Jiazhen, Zhou Gucheng and Wu Ruolan. Comrades Tang Junyuan, Lu Yudao, Liu Liangmo, Xu Wensi and (Dong Yunchu) also expressed their opinions at the conference.

They said: It is very significant that the municipal CCP Committee is holding this democratic consultative conference. It has demonstrated socialist democracy and reflected the present excellent situation. It is an expression of the common determination of the people of the whole municipality to successfully promote readjustment work and further consolidate and develop the situation of stability and unity with concerted efforts under the leadership of the party.

They pointed out: To successfully convene the meetings, it is necessary to further liberate our thinking on the basis of upholding the four basic principles, to seek truth from facts, to fully develop democracy, to give full play to all positive factors, to unite as one and to encourage everyone to make contributions to implementing the policy of making further economic readjustment and consolidating political stability in Shanghai.

They pointed out: It is necessary to mobilize all members of their organizations and the masses to solve the problems of the country and the people and to work hard for the success of the two meetings.

The participants also expressed many valuable opinions on various questions to be discussed and solved at the meetings. In addition, they also discussed a number of other issues.

Attending the democratic consultative conference were the responsible persons of various democratic parties and the Shanghai Federation of Industry and Commerce, nonparty personages, representatives of various circles and responsible persons of concerned departments of the municipal CCP Committee and the municipal People's Government, totaling 68 people.

SHANGHAI CPPCC SESSION SCHEDULED FOR 9 APR

OW060612 Shanghai City Service in Mandarin 1130 GMT 4 Apr 81

[Text] It was decided this morning at the 14th Session of the 5th Shanghai Municipal CPPCC Standing Committee that the 3d Plenary Session of the 5th Shanghai Municipal CPPCC Committee will open on 9 April.

Attending today's Standing Committee meeting were Vice Chairmen of the Shanghai Municipal CPPCC Committee Zhao Xingzhi, Zhang Chengzong, Li Gancheng, Song Richang, Zhao Zukang, Jing Renqiu, Lu Yudao, Tan Jiazhen, Liu Liangmo, Yang Xianwu and Xu Wensi.

The meeting discussed and approved the draft work report to be presented at the plenary session by the Fifth Shanghai Municipal CPPCC Standing Committee. It is also discussed and approved a list of additional members of the Fifth Shanghai Municipal CPPCC Committee, the draft agenda of the third plenary session of the fifth municipal CPPCC Committee and other related matters.

SHANGHAI CCP HOLDS MOBILIZATION MEETING

OW041006 Shanghai City Service in Mandarin 1130 GMT 3 Apr 81

[Text] The Shanghai Municipal CCP Committee and municipal People's Government jointly sponsored a municipal mobilization meeting on increasing production and practicing economy and on increasing income and reducing spending on the afternoon of 3 April at the city stadium.

The meeting asked the party organizations of all local trades and professions and the leadership of all local enterprises to correctly understand and implement the economic readjustment principle, raise morale, go all out and fully arouse the masses to extensively carry out the activities to increase production, practice economy, increase income and reduce spending. These activities aim at economic readjustment and at raising economic results. They were also asked to effectively implement the 1981 Shanghai national economic plan and contribute to realizing a balance of the national revenues, expenditures and stabilization of the economy.

Present at the meeting were the leading comrades of the municipal CCP Committee and People's Government Chen Guodong, Hu Lijiao, Wang Daohan, Zhao Xingzhi, Yang Shifa, Chen Jinhua, Zhao Zukang, Chen Zonglie and Pei Xianbai. Also present were the responsible persons of the various departments, commissions, offices, districts, countries, bureaus and other basic-level units, the model workers of the city and part of the advanced producers, totaling more than 17,000 persons. The meeting was presided over by Comrade Hu Lijiao.

The representatives of eight units, the municipal textile industry bureau, the municipal bicycle company, the municipal dyestuff industry company, the municipal No 6 housing construction engineering company, the Shanghai machine tool plant, the Shanghai (?measuring) apparatus plant, the managing section of the Dahua scientific apparatus plant and the chemical goods section of the Shanghai general merchandise supply and marketing station, spoke at the meeting on their advanced experiences--with readjustment as the goal--in vigorously increasing production, practicing economy and raising economic results.

Wang Daohan, municipal CCP committee secretary and acting mayor, spoke at the meeting. He said: Increasing production and practicing economy, and increasing income and reducing spending are important parts in the effort to readjust them well and realize a balance of revenues and expenditures and economic stability. They are also the center of all economic work. This meeting is to mobilize everyone to do economic readjustment well--including the economic structure, the structure of products and the organizational structure of industry. Also, this meeting is to mobilize the masses to carry out activities to increase production and practice economy and to increase income and reduce spending.

Comrade Wang Daohan put forth five key links in carrying out activities well. They are: to strengthen market surveying, meet market needs, strengthen scientific research, fully use the superior nature of technology, raise economic results, establish and promote the management system on quality of products, control quality well in each and every production procedure, establish an accounting system, and train well a large number of professional cadres.

After reviewing the favorable conditions for doing these activities well, Comrade Wang Daohan concluded his speech by saying that it is essential for us to modestly learn from the advanced experiences of the various fraternal provinces and municipalities as well as the advanced experiences of the world, to try hard to further raise local output and to fulfill the 1981 Shanghai national economic plan so as not to disappoint the central authorities and the fraternal provinces and municipalities which have offered hope and support.

SHANGHAI'S WANG DAOHAN SPEAKS ON AIR DEFENSE

OWO30826 Shanghai City Service in Mandarin 1130 GMT 2 Apr 81

[Text] At the Shanghai municipal people's air defense conference on 2 April, Wang Daohan, secretary of the municipal CCP Committee and acting Shanghai mayor, said: It is necessary to strengthen ideological education for the cadres and masses, overcome the false sense of peace and tranquillity and vigorously support and satisfactorily carry out the work of people's air defense and preparedness against war.

Comrade Wang Daohan added: Following the policy of the national economic readjustment, the work of people's air defense and preparedness against war should be further readjusted and improved to achieve greater results.

The conference was presided over by He Yixiang, deputy chief of the municipal people's air defense leading group and commander of the Shanghai Garrison District. Attending the conference were leading comrades of the three armed services stationed in Shanghai and departments concerned.

The conference pointed out: Since the beginning of this year, new measures have been taken to make Shanghai's people's air defense facilities usable both in time of peace and war. Now more than 730,000 square meters of air defense facilities in Shanghai have been put to good use. This is equivalent to the construction of more than 140 10-story buildings, with each floor totaling 500 square meters. The conference called for continuous efforts this year to integrate peacetime with wartime needs and to find every possible way to make use of more air defense facilities so that another 200,000 square meters of the facilities may be put to use within this year to serve production and the people's livelihood in ordinary times.

Comrade Wang Daohan addressed the conference. He emphasized: It is necessary to race against time and concentrate our efforts on reinforcing, transforming, maintaining and managing the existing air defense facilities so that they may withstand the test of any war and that the work of people's air defense and preparedness against war may be carried out.

AFP CITES JIEFANG RIBAO ON SHANGHAI ABORTIONS

OW051114 Hong Kong AFP in English 1103 GMT 5 Apr 81

[Text] Beijing, 5 Apr (AFP)--The leader of a network of illegal abortionists in China's [words indistinct] city of Shanghai was recently sentenced to three years in a labor camp.

The Shanghai LIBERATION DAILY reported today that Gu Xuezhong started his career by finding an abortionist for a young girl he had made pregnant without getting married. Encouraged by his success, he then joined a former convict and an abortionist to mount an operation on a larger scale. Twenty unmarried young women resorted to their service, paying an average of 200 yuan (130 dollars) as well as giving many gifts.

The Chinese authorities strongly advise against sex relations outside the scope of marriage.

Although abortion is theoretically available free of charge, young unmarried girls are still frequently the target of various rough jokes from hospital staff in charge of carrying out abortions, not counting the social reprimand a pregnancy not sanctioned by marriage incurs.

The newspaper said it was Shanghai public security officials who had decided to hand down the sentence of three years of "re-education through labor." Re-education through labor is always done in a labor camp. The paper did not report however whether Gu's accomplices had been punished.

ZHEJIANG EMPHASIZES IMPOVERISHED HOUSEHOLDS SUPPORT

OW040539 Hangzhou Zhejiang Provincial Service in Mandarin 1100 GMT 3 Apr 81

[Excerpts] Party organizations and government at all levels as well as communes and brigades in Zhejiang Province have actively taken measures to support rural impoverished households and help raise their living standards. In the past 2 years, peasants in our province have raised their living standards by a fairly wide margin. However, due to an insufficient labor force or to natural and manmade calamities, a few peasants are still living difficult lives. Since 1979 party organizations and government at all levels as well as communes and brigades have supported these peasants in a planned way--step by step--in order to solve their livelihood problems.

In March 1980 the provincial People's Government specially issued a document on supporting rural impoverished households in a planned way. Now, 693 communes in 54 municipalities and counties throughout the province have carried out work on supporting impoverished households.

Statistics from 632 communes of 46 counties show that since beginning support to impoverished households, the state has spent more than 550,000 yuan in terms of relief funds and materials for the impoverished households and has loaned them more than 250,000 yuan. Communes and brigades have reduced and remitted the overdraft of the impoverished households, given cash allowances totaling more than 240,000 yuan and granted them more than 820,000 work points and more than 360,000 jin in grain rations.

Recently the provincial People's Government office transmitted a report by the provincial Agricultural Commission and the provincial Civil Affairs Department on the provincewide work of giving support to the impoverished households, urging all localities to keep up the good work.

A station editor's note entitled "The People's Government Serves the People" says: Party organizations and People's Government at all levels in our province have taken effective measures to vigorously support rural impoverished households. This shows that our party and government are concerned about the people's well-being and serve their interests.

For many years, "left" mistakes constituted the major blunders in our economic work. The major outcome of these "left" mistakes was that accumulation was given too much consideration while consumption received little attention. In other words, more attention was given to people's long-term interests than to their immediate interests. Now the party and the government are rectifying the "left" mistakes. As long as we resolutely implement the principles and policies adopted since the 3d Plenary Session of the 11th CCP Central Committee and the policy of readjustment, economic construction will proceed steadily and the people's livelihood will gradually improve.

BRIEFS

JIANGSU PEOPLE'S DEPUTIES--In the past 1 year and more, deputies of the Jiangsu Provincial People's Congress and members of the provincial CPPCC Committee have inspected various localities and suggested to the local governments ways to solve problems related to the people's livelihood. In Wuxi Municipality, 61 of the 72 deputies of the provincial People's Congress formed 12 groups to inspect commodity prices, housing, transportation and educational and medical facilities. Problems discovered by them have been or are being solved. These inspections and investigations by people's deputies and CPPCC members have helped familiarize local party and government organs with the actual situation and facilitated the implementation of the party's policies and principles. [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 26 Mar 81 OW]

JIANGXI FINANCIAL INSPECTORS--Jiangxi Province's financial departments have employed correspondent financial inspectors to safeguard financial and economic discipline, check violators of financial and economic discipline and suggest ideas and methods to balance financial revenues and expenditures. The Ganzhou Prefectural Administrative Office, the Nanchang Municipal Finance Bureau and the provincial Finance Department have employed 72 outstanding financial workers as correspondent financial inspectors. [Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Mar 81 OW]

ZHEJIANG TOURIST FACILITIES--Hangzhou, 29 Mar (XINHUA)--The scenic lakeside city of Hangzhou, which received more than 20 million foreign and Chinese visitors last year, has almost completed preparations for this year's expected influx of tourists, city authorities said. Three hotel extensions have been built, adding 704 beds for foreign visitors, and work will start later this year on a new seven-story hotel near the lake. Accommodation for Chinese visitors is also being built. Local tourist departments will also be running tours to other scenic and historical spots near Hangzhou. [Beijing XINHUA in English 0732 GMT 29 Mar 81 OW]

XIZANG'S YIN FATANG SPEAKS ON CULTURAL LIFE

OW070507 Lhasa Xizang Regional Service in Mandarin 1130 GMT 5 Apr 81

[Broadcast in progress]

[Text] The conference specifically studied the question of readjustment in cultural work in our region.

During the conference Yin Fatang, first secretary of the regional CCP Committee, attended and addressed the conference. In his speech Comrade Yin Fatang first touched on the orientation for literary and art creation. The orientation for our literary and art creation is clear and definite. It is to serve the people and to serve socialism. He said: In view of the actual situation in our region, when we say that literary and art creation should serve socialism we mean that it should serve for building a unified, wealthy and civilized new Xizang.

Comrade Yin Fatang went on to discuss the question of how to create a unified, wealthy and civilized new Xizang. He said: What we mean by unity is, first of all, to be united under the great community of our motherland. That is to say, we must unite with the fraternal nationalities of the whole country. Second, we must rally around the party Central Committee. Third, we must do a good job in uniting all the fraternal nationalities in Xizang.

Comrade Yin Fatang said that it would be necessary to proceed from the actual conditions to become wealthy. We should try to become better off step by step by starting from the present conditions and in a planned way.

In talking about how to become civilized, Comrade Yin Fatang said that it would be necessary to stress spiritual civilization. Aside from science and culture, spiritual civilization also includes the communist ideology, beliefs, ideals, morality and discipline, revolutionary viewpoints and principles and relationship between the people. Therefore it is necessary to launch activities to learn from Lei Feng and to promote decorum and courtesy with "five stresses" and "four beauties." (?Cultural) work also includes activities to promote literature, films, drama, music, dance, fine arts and [words indistinct]. All this belongs to the category of spiritual civilization.

Comrade Yin Fatang said: The major tasks for literary and art work in serving the people may vary at different periods. The major task now is to stress serving peasants and herdsmen. This is necessary not only because there are many peasants and herdsmen and they make greater contributions but also because it is difficult for them to have a cultural life and the cultural life they have is truly poor. Comrade Yin Fatang said: When we say Xizang is poor we also mean that Xizang is culturally poor and that culture life in the agricultural and pastoral areas at present is very poor.

In talking about how literary and art work can serve the people, Comrade Yin Fatang mentioned two points. First, it is necessary to educate the people in correct thinking through various forms of literary and art creation. That is to say, it is necessary, through various forms of literary and art creation, to propagate Marxism-Leninism-Mao Zedong Thought, publicize the party's line, principles and policies and situation and tasks, publicize the new people and new things in socialism and popularize scientific and cultural knowledge. It is necessary to arouse the fighting will of the masses to enable them to have ideals, confidence and the revolutionary spirit of working hard and do a good job in building Xizang. It is necessary for literary and art work to play the role of "uniting and educating the people," as pointed out by Chairman Mao. Second, it is necessary to create images of beauty so that the masses can feel excited and gratified and enjoy beauty by watching literary and art programs.

Comrade Yin Fatang stressed in his speech that it would be necessary to correctly handle several relationships. He said: One of these relationships is the relationship between economic construction and cultural construction, or the relationship between material civilization and spiritual civilization. They supplement each other and are of equal importance. It will be wrong to develop one while neglecting the other. It will be wrong to promote production and improve material life while neglecting cultural life and spiritual civilization.

Comrade Yin Fatang then went on to talk about the relationship between the inheritance and the development of cultural heritage by the cultural department. He said: Xizang has an abundant and precious cultural heritage in various forms. Our major task at present is excavate and save ancient artifacts. After their excavation, we should "make the past serve the present" by sorting them out, processing them and eliminating those that are useless. In processing these relics, attention should also be paid to the development of cultural heritage. It is necessary to develop our own culture based on our own past and, on the other hand, to promote renovations by deriving good things from others. And herein lies the question of how to handle the relationship between the inheritance and development of our cultural heritage. It will not do just to inherit the past. Since our whole society is making progress, we cannot remain at the original level. Therefore we should not only inherit the past but also carry it forward and handle well the relationship between the inheritance and development of our cultural heritage.

Comrade Yin Fatang then made two suggestions on how to carry out cultural work. He said: It is necessary, first of all, to mobilize the masses and enable them to become interested in and support cultural work. Then more people will take part in cultural activities and thus we can take over the ideological front. This is an issue that concerns winning over the masses. It is necessary to guide the broad masses of the people and youngsters to lead a normal cultural life. Second, it is necessary to strengthen party leadership over cultural work.

In conclusion Comrade Yin Fatang encouraged the comrades working on the cultural front to understand that they are charged with important tasks and that they should proceed from actual conditions and carry out their tasks in a down-to-earth manner. Comrades working on the literary and art front must create more works, conduct propaganda and education well among the masses in regard to patriotism, the superiority of socialism over the feudal and serf systems and the revolutionary traditions, and make new achievements to greet the 30th anniversary of the peaceful liberation of Xizang.

The regional conference on cultural work conscientiously studied the guiding principles of the central authorities on propaganda and cultural work and discussed how to further eliminate the influence of "left" thinking in line with the actual situation in our region's cultural work. Stressing the major task of promoting readjustment, the conference also specifically discussed and studied how to promote cultural life in agricultural and pastoral areas, how to save nationality and folk cultural heritages, how to train a contingent of literary and art workers of Tibetan nationality and how to promote work by professional drama troupes. It also worked out relevant regulations and measures for actual work.

BRIEFS

CHENGDU LAW SCHOOL--On 19 March, the Chengdu branch of the Southwest Political and Law College held its opening ceremony. Taking part in the opening ceremony were Qin Quanhou, Standing Committee member of the Sichuan Provincial CCP Committee, (Zhang Wencheng), secretary of the party committee of the Southwest Political and Law College, together with 181 teachers and students. Both Qin Quanhou and (Zhang Wencheng) spoke at the ceremony. The length of the law course is 3 years. The enrollment of students will begin in the spring of each year. [Chengdu Sichuan Provincial Service in Mandarin 1100 GMT 20 Mar 81 HK]

ACTING BEIJING MAYOR ON IMPROVING COMMERCIAL WORK

OWO30837 Beijing XINHUA Domestic Service in Chinese 1155 GMT 2 Apr 81

[Report by XINHUA reporters Zhou Hongjie and Qiu Yongsheng]

[Excerpts] Beijing, 2 Apr (XINHUA)--Recently Acting Beijing Mayor Jiao Ruoyu pointed out that without eliminating the "leftist" influence and emancipating the minds, the implementation of the party's line, principles and policies since the 3d Plenary Session of its 11th CCP Central Committee would remain an empty slogan and commerce and the service trades would never develop rapidly.

He made this remark at the enlarged meeting of the Beijing Municipal CCP Committee's Standing Committee after hearing reports by financial and trade departments on solving the longstanding, big and difficult problems of eating, buying vegetables and tailoring.

Jiao Ruoyu said: In our socialist commerce, the state-owned commercial departments are the mainstay. However, the people have numerous needs in their daily life and the state-owned departments alone cannot guarantee that all these needs are satisfied. Therefore, the circulation of commodities under socialism should be conducted through three channels--the state-owned, the collectively owned and the individual. In the past, we banned businesses and service trades run by collectives and individuals. The result was that the road was getting narrower, the number of shops was declining and the people's livelihood was becoming more inconvenient.

Jiao Ruoyu said: To ensure an ample supply of goods in the capital's markets, it is necessary to carry out integration and open new sources of commodities. It does not work to depend exclusively on Beijing Municipality. Beijing should integrate with nearby provinces, while the city proper should integrate with the suburban areas. For instance, the city proper now lacks the foodstuff and pickling processing capacity. Commercial departments should increase production by using the strength of suburban districts and counties.

Jiao Ruoyu said: Commercial departments should strengthen ideological education for workers and improve management work. Management should be effective, not rigid.

NEI MONGGOL: ZHOU HUI ON ECONOMIC READJUSTMENT

SKO61344 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 5 Apr 81

[Excerpts] According to our reporter (Zhou Huaqi) and correspondent (Xie Hanzhong), in the past few days responsible comrades of various leagues and municipalities participating in the regional conference on enterprise readjustment have conscientiously studied pertinent documents of the party Central Committee and the regional CCP Committee. They have summarized both positive and negative experiences in the region's economic work, conscientiously checked the leftist influence in economic construction and economic work and pledged to succeed in readjusting our region's economy.

The regional conference on enterprise readjustment sponsored by the regional CCP Committee and People's Government opened on 27 March in Hohhot Municipality. Over the past few days responsible comrades of various leagues and municipalities participating in the conference have discussed ways to successfully readjust the economy and eliminate leftist influence and damage. They pointed out: For a long time we have committed some leftist mistakes in the main part of our economic construction. Under the guidance of leftist ideology, we have been divorced from reality, violated economic and natural laws, blindly ran after the so-called high speed, high targets and high accumulation, mapped out plans carelessly, thus destroying overall balance, and constantly changed relations of production in spite of the productive capacity and developed production in accord with various non-objective goals and slogans. As a result, our region's economy is in an abnormal state.

They said: In the past we paid attention to capital construction and accumulation but neglected production and efficiency. Leftist ideology has harmed the region's industrial and communications production with the result that capital construction is overextended, the result of investment is poor, labor productivity is low, average profit of enterprises is low, the accumulation rate is too high, enterprise losses are heavy and the structure of the economy, products and enterprises is unreasonable. These negative consequences created such an abnormal situation in the region that the scope of capital construction, the total number of enterprise workers and staff and the overall wages and labor insurance welfare funds have increased year after year, thus unbalancing the economic ratio.

Zhou Hui, first secretary of the regional CCP Committee; Wang Yilun and Yun Shiyang, secretaries of the regional CCP Committee; and Peng Mengyu, Chen Bingyu and Wang Xi, vice chairmen of the regional People's Government, heard the report on the discussion of the conference and delivered speeches on 31 March.

In his speech, Comrade Zhou Hui called on the participants to conscientiously eliminate leftist ideology. Economic readjustment must be subordinated to a stable political situation. In other words, we should promote political stability through economic readjustment. In readjustment work we must maintain price stability, make adequate arrangements for the daily life of workers and staff and strengthen ideological and political work. We must act in line with the economic law. We must decisively act on all projects which should be promoted or speeded up and on all those which should be canceled or postponed under unified planning and by taking the whole situation into consideration. We should proceed from the practical situation and in line with economic and natural laws. We should not handle affairs metaphysically and arbitrarily. All industrial, communications, financial and trade enterprises should serve agriculture, animal husbandry and forestry, and serve the peasants and herdsmen. In particular, leading comrades on industrial, communications, finance and trade fronts should be the servants of the peasants and herdsmen. We should improve the structure of the economy, products and enterprises through readjustment so as to increase economic results, achieve balances in finance, credits and supplies and ensure that our region's economy develops in a stable way through economic readjustment.

TIANJIN CORPORATION TO AID JOBLESS YOUTH FORMED

OW040810 Beijing XINHUA in English 0804 GMT 4 Apr 81

[Text] Tianjin, 4 Apr (XINHUA)--The joint youth industrial and commercial corporation, the first corporation in China aimed at creating jobs for young people, was officially established in the port city of Tianjin, north China, today. The corporation, run by the city's youth federation, the women's federation and the office in charge of educated youth, will help young people to run collective enterprises in light and processing industries and in retailing, repair, catering and other service trades.

The city government has earmarked two million yuan to finance the first stage of the project, although the corporation will assume responsibility for its own profits and losses.

The corporation has already given financial help to nine workshops and stores, employing 380 youths. It has invested 100,000 yuan in a knitting mill run by a neighborhood committee in the city's Hebei District. The mill has expanded its output and is selling its products in other provinces. The corporation also gave a loan of 4,000 yuan to jobless young people to run a grocery and an eating house in a new residential area in Hexi District, which has about 3,000 households.

Honorary President, Advisers

OW041254 Beijing XINHUA in English 1242 GMT 4 Apr 81

[Text] Beijing, 4 Mar (XINHUA)--A youth industrial and commercial corporation opened today in China's third biggest city Tianjin, offering more jobs to the young people. The corporation is jointly run by the city's youth federation, women's federation and the office in charge of educated youth.

To begin with, the corporation has nine collective factories and shops, including textile mills, processing factories and shops, repair and service trades, employing 383 people. It also provides training for the job-waiting youths.

Tianjin's Vice-Mayor Wang Guangying is its honorary president. Four experienced businessmen are acting as advisers.

In the port city of Qingdao, 700 collective enterprises have sprung up last year providing jobs for more than 121,000 young people. 39 Vocational and technical schools have been set up, training some 2,000 youths in skills as the maintenance of electrical equipment, sewing, cooking, travel service, fine art and accounting. Last year, more than six million young urban dwellers in China were given jobs.

An official of the State Bureau of Labor said that during the readjustment period of the national economy, state-run enterprises offer little opportunities to the young people and the way out is to set up more collective and private enterprises, he said.

Nearly 1,200 labor service companies have been set up in the past two years in some 140 cities and two million young people are enrolled.

TIANJIN INDUSTRIAL COMPANY COPES WITH READJUSTMENT

OW031007 Beijing XINHUA Domestic Service in Chinese 1144 GMT 1 Apr 81

[Excerpts] Subordinate to the Tianjin Municipal First Machine Building Bureau and established at the end of 1978, the Tianjin Municipal Electrical Appliance Industrial Company has 30 subordinate factories and 1 scientific research institute, producing 5.5 million pieces of control equipment in 770 categories for machines and electrical appliances annually. It ranks second only to Shanghai in this line of production in China.

Since the national economic readjustment began, the Tianjin Municipal First Machine Building Bureau received the smallest production assignment and faced the greatest difficulty among all of Tianjin's industrial units, and among all the bureau's subordinate units, the Tianjin Municipal Electrical Appliance Industrial Company received the smallest production assignment and suffered the greatest difficulty. Yet this company's output value in the past 2 years increased slightly instead of decreasing, thanks to its earnest efforts to implement the policy of readjustment. At the same time, it prepared conditions for the company's long-range development. In the first 2 months this year, the total output value of Tianjin's machine-building department was down 12.6 percent from the same period last year, while that of this company was up 10.5 percent.

In 1979 the production quota assigned to this company by higher authorities was only two-thirds of its capacity. After obtaining approval from higher authorities, the company ordered its subordinate factories to make direct contact with the market and potential customers, since all these factories had insufficient production quotas and unmarketable products stockpiled. In July and August 1979, the company dispatched 1,100 persons, including leading cadres of the company and its factories, to call at 2,690 units in the 29 provinces, municipalities and autonomous regions, and mailed 1,900 inquiry letters. As a result, the problem of an insufficient production quota for that year was solved.

In 1980 the company faced still greater difficulty as the production quota it received could be met in 2 months. The company and its factories sent out over 5,000 letters soliciting orders.

As a result, the company's total output value that year was 2.7 percent over that of 1979. At the same time, the way was paved for a better production situation in 1981.

In 1979 and 1980, the company established 80 sales agencies in 13 provinces and 681 steady contract customers in over 20 provinces, municipalities and autonomous regions. In the latter half of 1980, the total sales value from these sources was around 10 million yuan a month, against the company's monthly capacity output value of 12 million yuan. With some odd orders, it managed to run at full capacity.

With a foundation laid in the previous 2 years, cadres and workers were confident and felt no difficulty in 1981, although the state assigned it a tiny 2-million yuan production quota, which would permit its factories to run 5 days.

In the past 18 months, the company renovated the dies for 756 of its total 775 products, resulting in 92.24 percent of its products being rated up to standard, compared with a previous 15.2 percent. Over 20 products were rated top grade. In 1979 and 1980, it successfully trial produced 149 new products, 83 of them in urgent demand and directly supportive to light and textile industries. The remaining 66 items were successfully trial produced on the basis of its market survey and forecast. They are now in stock and can be put into mass production whenever necessary.

This is how the Tianjin Electrical Appliance Industrial Company has endeavored in scientific and technical work--step by step--in a planned way to keep its factories running to produce things, successfully trial produced new things and made research to trial produce additional new things. They have enough work at hand and a ready plan for the future.

XINHUA editor's note: A number of enterprises of the machine-building department are faced with certain difficulties in the course of the national economic readjustment. The practice of the Tianjin Electrical Appliance Industrial Company shows us that as long as cadres and workers brace up and concentrate their efforts, they can surely find a way to free themselves from a difficult situation and make progress. (end editor's note)

BRIEFS

NEI MONGGOL GOLD OUTPUT--(Niuqinggou) gold mine in Qahar Youyi Zhong Banner, Nei Monggol, excavated 14,890 liang of alluvial gold and delivered some 1,251,000 yuan of profits to the state from 1970 to 1980. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 19 Mar 81 SK]

NEI MONGGOL HOGS--According to the departments concerned, Nei Monggol had 5,185,000 head of hogs at the end of 1980, a reduction of 361,000 head or 6.5 percent as compared with the 1979 figure. The number of sows kept for breeding was 370,000 head, a decrease of 96,000 head or 20.6 percent as compared to the 1979 figure. The number of boars declined markedly. The number of boars and sows was not in balance. [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 26 Mar 81 SK]

TIANJIN MUNICIPAL ECONOMY--Tianjin, 26 Mar (XINHUA)--Tianjin Municipality's economy quickly prospered in the past 2 years after it developed peddler, service and eatery trades. From August 1979 to the end of 1980, Tianjin established 2,226 consumer cooperatives and buy-and-sell agencies on a commission basis employing 18,000 young people and 8,540 licensed individual household workshops and stores involving 10,000 persons. During the same period, state-run businesses and eateries added 661 service points employing 2,200 young people. In addition, 17 warehouse trading centers, 70 fair grounds and 24 urban markets for selling agricultural and sideline products have been set up. The Tianjin authorities have made arrangements and set pertinent regulations regarding such matters as taxes, credits, prices and wages. In 1980 alone, total retail volume of businesses, eateries and service trades under various types of ownerships in the city reached 3,684 million yuan, 15.3 percent over 1979. [Beijing XINHUA Domestic Service in Chinese 1210 GMT 26 Mar 81 OW]

I. 7 Apr 81

C H I N A
PRC MEDIA ON TAIWAN AFFAIRS

U 1

BEIJING COMMENTARY ASSESSES KMT CONGRESS

OW050412 Beijing in Mandarin to Taiwan 0400 GMT 4 Apr 81

[Commentary by (Zhong Ming) of station editorial department: "A Dangerous Step Going Against the Tide"]

[Text] Taiwan compatriots: Before the convocation of the 12th KMT National Congress a Taiwan paper disclosed in an article that a large number of KMT party members in cities and rural areas have divorced themselves from the KMT organizations. This number may represent one-tenth of the total KMT membership. This situation certainly merits pondering by knowledgeable KMT members.

We all know that the Chinese KMT was founded by Dr Sun Yat-sen. With assistance from the CCP, the KMT issued a declaration to reorganize the party in November 1923. At the first KMT national congress in January 1924, the KMT accepted propositions of the CCP on opposing imperialism and feudalism and reinterpreted the three principles of the people. The KMT also decided on the three major policies of allying with Russia, the CCP and aiding industry and agriculture. This was the first cooperation between the KMT and the CCP.

The KMT at this time formed the democratic and revolutionary alliance comprising workers, peasants and the petty and national bourgeoisie. The alliance played a positive role in China's national and democratic revolution. However, after the demise of Dr Sun Yat-sen, the rightist clique of the KMT staged a series of antirevolutionary coups. The clique betrayed Dr Sun Yat-sen's revolutionary ideals and turned the KMT into a reactionary bloc representing the interests of imperialism, feudalism and bureaucratic capitalism. This reactionary bloc carried out policies of a traitorous, war-mongering and authoritarian nature. That is why the KMT lost prestige among the people and was driven from the mainland.

Over the past 30 years the KMT authorities have felt content in staying in Taiwan and persist in separating the motherland. To perpetuate its one-party rule, the KMT authorities slavishly rely on foreign powers to impose its ruthless fascist rule on the people by secret agents. The Taiwan compatriots have long been averse to KMT rule and are particularly indignant over the KMT authorities refusing the motherland government's proposal for peaceful settlement of the Taiwan question and reunification of the motherland and for suppressing the patriotic people in Taiwan who advocate a peaceful settlement. Even some knowledgeable people among the KMT rank-and-file talk about the dim future.

Instead of following the tide of history and taking positive measures to promote the peaceful reunification of the motherland, the current KMT congress adheres to the words of some people in obstructing the progress of peaceful reunification; they clamor for unification under the three principles. Undeniably, if the KMT authorities obstinately cling to their own course, not only will the Taiwan compatriots oppose it but so will the knowledgeable people of the KMT. Indeed, the future of the KMT is precarious.

TAIWAN AUTHORITIES IMPOSE 'HEAVY BURDEN' ON PEOPLE

OW020240 Beijing in Mandarin to Taiwan 1500 GMT 31 Mar 81

[Text] According to papers in Taiwan, the Taiwan authorities are now launching a so-called province-wide tank fund campaign.

Compatriots: Donation activities of various kinds have continued endlessly over the past few years. First, it was the airplane fund, then the gunboat fund, and now the tank fund campaign is in full swing. When will such activities end? On the surface, donations are on a voluntary basis, but in reality they are arbitrarily apportioned. After a mock show by some singers to solicit donations, various organizations, social groups and enterprises are compelled to deduct one day's wage, or a certain percentage of monthly pay, from the workers' and staff members' payroll as donations. Even the meager pensions of retirees deposited in banks are not spared because the banks arbitrarily stipulate a certain percentage of their deposited savings for donations.

I. 6 Apr 81

U 2

CHINA
PRC MEDIA ON TAIWAN AFFAIRS

It is costly to maintain a huge army of 500,000 people in a small province like Taiwan. Yet, for more than 30 years the Taiwan compatriots have been heavily burdened by a huge military budget. When will this heavy burden end?

RENMIN RIBAO DISCUSSES TAIWAN'S ECONOMIC PROBLEMS

HK061043 Beijing RENMIN RIBAO in Chinese 30 Mar 81 p 4

["Today's Taiwan Column"--capitalized passages published in boldface]

[Text] Report by Wei Daye [7614 1129 2814]: "TAIWAN'S ECONOMY IS FACING FOUR MAJOR CHALLENGES"

In a recent article, Taiwan's TRADE WEEKLY pointed out that Taiwan's economy is at present facing four major challenges:

THE CHALLENGE OF NEW COMPETITORS: The article said: Although Taiwan has strengthened its economic trade links with many countries and regions in the Asian Pacific, the Middle East and Europe, many developing countries and regions have in recent years been "developing processing and export industries" and manufacturing "products similar to those of Taiwan" "at much lower cost," thus "posing a new competitive threat to Taiwan in the international market. The article also willfully downplayed the light and textile industries being developed on the mainland of the motherland, but pointed out that this "calls for attention."

THE CHALLENGE OF THE CONTINUOUSLY RISING PETROLEUM PRICES: Last year Taiwan imported crude oil and crude oil products valued at \$4.74 billion--\$2.3 billion more than in 1979 or an increase of 94 percent. It was estimated that petroleum imports this year would be further increased to over \$56 billion. Because of "the effects of rising oil prices," the wholesale commodity price index in Taiwan last year rose 21.54 percent, the consumer goods price index 19.02 percent, the price index for imports 22.23 percent and that for exports 8.25 percent. The article estimated that the international petroleum price would "rise further." Taiwan would further face "the threat of inflation."

THE CHALLENGE OF A BACKWARD INDUSTRY: Over 95 percent of Taiwan's manufacturing industry is composed of medium-sized and small enterprises, chiefly light and textile industries, which are "labor intensive," "energy intensive" and "low in value added." Though great efforts have been directed in recent years to the development of energy-intensive and capital-intensive industries, progress has been slow due to the heavy costs and the many difficulties involved. Whether in "sales research, the development of production skills, capital utilization, the use of manpower, and so forth, the benefits of economical operations could not be reaped." The results of research in given cases conducted by the department in charge of the economy show that the labor productivity of Taiwan's existing manufacturing industry falls behind not only that of the United States and other advanced industrial countries but also that of its trade rivals, such as South Korea, Singapore, and so forth.

THE CHALLENGE OF A RECESSION IN INTERNATIONAL TRADE: The article said: Taiwan has a "processing and export-type" economy and its "reliance" on international trade is great. Its economic prosperity or depression has much to do with a thriving or declining international trade. According to the current predictions of certain countries, the outlook for international trade this year is not good. The growth rate of the world economy will be only 2-3 percent. The time ahead is "a time of thriving trade protectionism" and "a time of great inflation and low growth." Foreign trade figures for Taiwan showed an increase last year, but actually growth was very limited. Not counting the commodity price factor, the export value for January this year actually showed "negative figures" in its growth rate. This is "a warning that deserves attention."

Report by Mu Xing [3668 2502]: "AN ADVERTISEMENT REFLECTING PEOPLE'S LONGING FOR THE MOTHERLAND"

Not long ago, Taiwan's UNITED DAILY NEWS devoted half of its first page to an advertisement on "the country houses south of the Chang Jiang in spring," entitled "The Chinese Cannot Forget the Flavor Peculiar to Areas South of the Chang Jiang."

After citing the line "given the spring flowers and then the autumn moon, how time flies; how much is still fresh in our memory..." from a poem by Li Yu, the last monarch of the Southern Tang Dynasty, entitled "The Mistress of Xiang Yu," the advertisement said, "The Chinese do not forget the flavor peculiar to areas south of the Chang Jiang. The Chinese should enjoy the kind of life most reminiscent of the flavor of areas south of the Chang Jiang." "Anyone who is Chinese cannot resist the lure of areas south of the Chang Jiang."

In a description of the "country houses south of the Chang Jiang," the advertisement said, "A quiet walk lined by hanging willows, a background of mountains and streams peculiar to Chinese terrain, a classic Chinese-style gate make the scene complete with the flavor of areas south of the Chang Jiang. We feel like being back in areas south of the Chang Jiang: Twenty-four bridges, the Xizi Lake, Suzhou, Hangzhou,...come to mind!"

This advertisement fully reflects the feelings and thoughts of the masses of people in Taiwan who long for the mainland of the motherland and hope for an early reunification. The businessmen know well what is in people's minds. That explains why advertisements like this have appeared in the UNITED DAILY NEWS, in order to attract customers.

Recently, Taiwan's CENTRAL DAILY NEWS devoted a banner headline to an advertisement for a collection of books related to streams and mountains in a 10,000-li land [mainland]. (See the following picture.) This similarly reflects the longing of the masses of Taiwan compatriots, especially those from the mainland, for the mainland of the motherland and for their hometowns.

XINHUA CARRIES 'SPECIAL COLUMN' ON TAIWAN

OW040325 Beijing XINHUA Domestic Service in Chinese 1134 GMT 3 Apr 81

[Special column: "Taiwan Today"]

[Excerpts] Beijing, 3 Apr (XINHUA)--Private Investment Continues To Decline

Figures recently released by the Taiwan "Ministry of Economic Affairs" show that private investment in Taiwan in the first 2 months this year declined heavily. Compared to the same period last year, newly built factories and enterprises dropped 12.3 percent in number and 47.3 percent in investment funds. Taiwan's "audit department under the executive yuan" said that the main reasons for the people's declining willingness to invest are the economic difficulties experienced in Taiwan in the past 2 years, unattractive prospects in the minds of businessmen, sluggish commodity sales and low profits.

Flooding of Inferior Goods in the Market

According to TAIWAN SHI PAO, people in Taiwan are nowadays on tenterhooks when they go shopping. Department and grocery stores are full of counterfeit, fake and inferior goods. Consumers suffer monetary losses and, not infrequently, their health is threatened.

Serious Exodus of Scientists, Technicians

According to a LIEN HO PAO report, Wu Dayu, chairman of Taiwan's guidance committee for scientific development, said at the 27 March meeting on science and technology education that Taiwan's "serious exodus of scientific and technical personnel has caused a critical problem, the impossibility of basic scientific development."

Wu Dayu pointed out: Most of Taiwan's college graduates majoring in science and engineering go abroad for advanced study or find jobs outside their specializations. In recent years, an average of 5,800 of them have gone abroad and only a few hundred return to Taiwan each year.

Butterfly Season Is In

Taiwan's MIN SHENG PAO reports that Taiwan's butterfly season is in as flowers are blooming in the warm spring air. Taiwan is famous for its butterflies and has long been called "the kingdom of butterflies." Over 400 species have been discovered in Taiwan, some rare and precious.

PRESIDENT SPEAKS ON MAINLAND ECONOMIC SITUATION

OW060323 Taipei CNA in English 0245 GMT 6 Apr 81

[Text] Taipei, 6 Apr (CNA)--In his capacity as chairman of the Kuomintang, President Chiang Ching-kuo Monday stressed the responsibility in getting ready to carry out the three principles of the people in the entire China after the recovery of the communist-held mainland.

"In view of the current situation on the mainland, we must consider various problems which may be left behind after it has been recovered." Chiang spoke at a dinner, following the conclusion of the ruling party's eight-day 12th national congress on Yangmingshan in suburban Taipei.

"The Kuomintang has approved a party platform to implement the three principles of the people in the entire China, and it remains our prime task to recover the mainland at an early date," Chiang said. Using an intelligence report from behind the iron curtain, Chiang summarized as "chaotic" the economic conditions on the mainland in recent months. An inadequate supply of electricity and other essential facilities as well as an absence of close coordination among units of the Peiping regime have combined to make it impossible for the Chinese communists to modernize their economy, Chiang pointed out.

Chiang said this embarrassing economic situation on the mainland led the Peiping regime to cancel a number of "modernization contracts" with foreign concerns, particularly those in Japan, the United States and Europe. Probably even more serious is the widespread "brain" problem on the mainland, Chiang said. "Power-holders within the Peiping regime know little or nothing about matters related to economy, and they used to neglect some useful talents, who have now become old."

The Peiping regime has tried in vain to reinstate a few economic experts because their ages already average over 70, and there is not much they can do under these "chaotic" circumstances, Chiang said. Chiang went on to say that the Peiping regime is anxious for new economic talents from what they called the "second generation," who were simply too late to be created. The Peiping regime has repeatedly admitted the necessity of "learning from Taiwan," and this may illustrate at the same time the triumph of the three principles of the people in Taiwan over communist systems on the mainland, Chiang said.

KMT CENTRAL COMMITTEE CONFIRMS NEW MEMBERS

OW061357 Taipei CNA in English 1338 GMT 6 Apr 81

[Text] Taipei, 6 Apr (CNA)--The Central Committee of the Kuomintang Monday confirmed 27 members, who were nominated by Chairman Chiang Ching-kuo, as members of the Central Standing Committee at the first meeting after the 12th national congress.

The new standing members are Yen Chia-kan, Shieh Tung-min, Sun Yun-hsuan, Ku Cheng-kang, Huang Shao-ku, Nieh Wen-ya, Yuan Shou-chien, Ma Chi-chuang, Li Kuo-ting, Kao Kuei-yuan, Soong Chang-chih, Chao Tsu-yu, Wang Ti-wu, Wang Sheng, Lee Teng-hui, Yu Kuo-hua, Yu Chi-chung, Lin Yang-kang, Shen Chang-huan, Chiu Chuang-huan, Hung Shou-nan, Tsai Hung-wen, Lin Chin-sheng, Ku Cheng-fu, Yen Chen-hsing, Tsao Sheng-fen, and Lin Ting-sheng.

The meeting also confirmed Tsiang Yien-si as secretary-general and Wu Chun-tsai, Chen Shui-feng and Chen Li-an as deputy secretary-general.

President Addresses Meeting

OW061403 Taipei CNA in English 1348 GMT 6 Apr 81

[Text] Taipei, 6 Apr (CNA)--Kuomintang Chairman Chiang Ching-kuo Monday said communism has failed and China will be unified under the three principles of the people.

Speaking at the first meeting of the 12th Central Committee held at the Chungshan building on Yangmingshan, Chairman Chiang said that in our struggle against the Chinese communists we must have perseverance, determination and will power to persist to the last minute and to win the final victory. The KMT chairman stressed that the substance rather than the shape of the revolutionary force will decide the success or failure of the national recovery mission. In this connection, Chairman Chiang compared a little diamond with a mass of wasted iron and a piece of gold with tons of garbages to indicate the significance of substance. We are the diamond and gold, Chairman Chiang assured the committee members.

At present and in the future, only the three principles of the people is needed by the whole world and China, Chairman Chiang said. It is undeniable that people on the Chinese mainland have been longing for the early return of the Kuomintang to the mainland because the turmoil and power struggle there will never be resolved, the chairman said. He stressed that the Kuomintang and the nation are one body which cannot be separated so that the party should be responsible for carrying out the task of national survival and recovery.

Today, we can assure all our fellow countrymen that the Kuomintang will do their utmost to secure the nation's independence and sovereignty at any cost, Chairman Chiang said, we will oppose any one who will do harm to our nation.

Chairman Chiang also encouraged all the comrades to be loyal to the nation, extend best services to the people, glorify the revolutionary spirits, raise administrative efficiency, and strengthen discipline of the party.

CHUNG YANG JIH PAO EDITORIAL ON KMT CONGRESS

OW030615 Taipei CHUNG YANG JIH PAO in Chinese 29 Mar 81 p 1

[Editorial: "Carry Forward the Revolutionary Tradition, Accomplish the Mission of the Era--Congratulating the Opening of Our Party's 12th National Congress"]

[Text] The 12th national congress of the Kuomintang of China will be ceremoniously opened at the Chungshan building on Yangmingshan today. This is the 70th year since the founding of the Republic of China and today is glorious revolutionary martyrs day. Various construction programs are continuously progressing in our country, and the living standards of our people are constantly improving. By contrast, the communist bandits on the mainland are embroiled in one struggle after another and are repudiating each other. The convocation of the national congress at this time, when both subjective and objective situations are in our favor, certainly will further the revolutionary achievements already made and accelerate the course of national recovery and construction. It is really of profound, epoch-making significance, carrying on our historical and cultural heritage and marking a turning point in our great cause of national resurgence. Therefore, it is an inspiration to all the comrades of the party, is expected by compatriots of the whole nation and attracts worldwide attention.

The father of our nation, devoting himself to the cause of the people's revolution, called for supporters holding the three people's principles and who built the party as the driving force. He said: "Working for the revolution, I have established the principles as the goals, laid down a general plan to guide its course, dedicated my whole life and all my energies to it and kept on fighting despite all setbacks.

"I seek to have all people with lofty ideals in the country under the same principles, and so the party is established." So the party had its beginning as the Hsingchunghui and grew into the Tungmenghui. A call from the peak was echoed by 10,000 mountains. The autocratic rule was overthrown, and the republic was founded. In the 13th year of the republic, our party held its first national congress. The father of our nation, as director general of the party, personally presided over the congress. He instructed that the congress had two tasks: the first was to reorganize the Kuomintang, to again organize it into a powerful and solid political party. The second task was to use the power of the political party to transform the country. From then on, the party's foundation became more consolidated, and the destinies of our party and our country were mixed into one.

Continuing the work left by Dr Sun Yat-sen, Director General Chiang led the comrades of the whole party and the people of the whole country in advancing courageously along the course of the people's revolution, gaining strength through difficulties and undaunted by repeated setbacks. The goal of his lifelong struggle was always based on Dr Sun Yat-sen's teachings, and his revolutionary methods always followed Dr Sun Yat-sen's instructions. He firmly believed that the rise and decline of the country depended on our party. Therefore, he led the whole party in constantly seeking to improve the party organization and increase its vitality, so that our party could really become a well-organized revolutionary democratic political party with principles and a glorious history of growing ever younger despite the passage of time, a party which would always be in the mainstream of the times and a guide for all people. In fact, the modern history of the Chinese revolution is the history of the struggle of the Kuomintang for independence, freedom and survival of the whole nation.

At every past national congress, our party has, in view of the requirements of the revolutionary situation at the time, pooled the wisdom and efforts of the comrades of the whole party and the people of the whole country, formulated the general principles of the state and the party and accomplished the tasks of every revolutionary stage, fully demonstrating the principle of passing on the torch and carrying on the spirit of the revolutionary martyrs. Carrying on the consistent historical tasks, the current congress puts forward six items on the agenda to meet new requirements, grasp new changes, plan new actions and set the course of efforts to accomplish our mission of the era. The guiding poles of our struggle are:

Take the three people's principles as the guidance: The three people's principles will save China, but communism can only cause disaster to China. This has been proven by China's history in the last more than 50 years, especially the different systems and experiences of the Chinese people on the two sides of the strait in the past 31 years. Therefore, the three people's principles are the guide for our efforts and actions and the spiritual driving force for our people as a whole in safety and danger. The construction we have undertaken according to the three people's principles for many years on our base of national restoration has produced brilliant results, which not only provide the blueprint for us to recover the mainland and rebuild the country in the future, but are an example for the developing countries. Therefore, we must make still greater efforts to study, expound, propagate and practice the three people's principles.

Unite with all the people of the country: The father of our nation said: "The revolutionary cause is started by the masses and will be fulfilled by the people." Our party keeps the masses' wishes in mind and takes the masses' interests as its own. The party must concentrate the masses' opinions as its own stand and sum up the masses' needs in its own policies. In accordance with Chairman Chiang's instructions, we should follow the way of "open the gate wide, take the broad road"; foster the vision "a public spirit ruled all under the sky"; serve the masses with love; and treat the masses with sincerity so that the party can really become one with the masses.

This national congress is not only to pool the mental and physical labor of all the comrades of the party, but to widely seek advice and suggestions and pool the wisdom and efforts of the people of the whole country, for unity is strength.

Aim at the goal of reunifying China: Today on the mainland, the communist bandits power struggle is becoming increasingly fierce, social turmoil is getting deeper, and the economic crisis is worsening. This proves that the communist bandits have failed completely in practicing communism on the mainland and that the communist system has gone totally bankrupt. The voices of compatriots on the mainland and all Chinese people calling for reunifying China with the three people's principles are like rising winds and scudding clouds. We firmly believe: Only by reunifying China with the three people's principles will it be possible to thoroughly solve China's problems, continue the lifeline of the country and the nation, protect the survival of mankind and safeguard world peace. This is the noble goal that the comrades of the whole party and the people of the whole country are striving to achieve, and the solemn mission to complete the cause of the people's revolution.

SOUTH AFRICAN ATTACHE COMMENTS ON COMMERCIAL TIES

OWO40314 Taipei CNA in English 0248 GMT 4 Apr 81

[Text] Taipei, 4 Apr (CNA)--R.A. van Wezel, South Africa's first commercial attache to the Republic of China, said here Friday that his country maintains no "commercial relations" with Communist China.

"South Africa has never established commercial relations with the Chinese communists in any form, nor is it likely in the future," Van Wezel spoke at a press conference, two days after his arrival in Taipei. Van Wezel, answering a question in connection with earlier foreign wire reports on a possible commercial dialogue between South Africa and the China mainland, said "these reports were groundless."

He went on to say that his presence in the Republic of China reflects the great attention paid by South Africa to promoting commercial relations between the two friendly countries. Van Wezel expressed optimism over future trade relations between South Africa and the Republic of China.

"The Republic of China is South Africa's No 3 trade partner in Asia, next to Japan and Hong Kong," he pointed out, adding that "Many signs tend to indicate that the Republic of China will replace Hong Kong as No 2."

On the two-way trade, the South African official said his country will try to narrow the trade gap by expanding imports from the Republic of China. He said that he will call on trade officials and business leaders in Taipei shortly to exchange views on ways to balance trade between the two countries.

BRIEFS

SOUTH AFRICAN TRADE MISSION--Taipei, 26 Mar (CNA)--A 60-member trade mission from South Africa arrived in Taipei Wednesday for a week long visit. The members included Dr H. Muller, former foreign minister of South Africa and concurrently honorary president of the South Africa-the Republic of China Chamber of Economic Relations; Van Der Merwe, president of the same chamber; and I. Pinshaw, president of the Association of Chamber of Commerce of South Africa. They will call on Economic Minister Chang Kwang-shih, officials of the Board of Foreign Trade and the China External Trade Development Council Thursday to exchange views on further promoting trade and economic cooperation between the two countries. [Text] [Taipei CNA in English 0302 GMT 26 Mar 81 OW]

UNDERGROUND OIL STORAGE--Taiwan will have its first oil storage cellar at the end of this year, Chinese Petroleum Corporation said 20 March. The large oil storage cellar, costing 300 million new Taiwan currency, is located in the mountainous areas at northeastern Miaoli. It can store 50,000 kiloliters of oil or 50,000 cubic meters of liquefied gas. [Taipei CHINA NEWS in English 21 Mar 81 p 12 OW]

PRC AUTHORITIES EXPECTED TO CRACK DOWN ON DISSIDENTS

HK040154 Hong Kong STANDARD in English 4 Apr 81 p 4

[By Terry Cheng]

[Text] A showdown between dissidents and the Chinese authorities is looming tomorrow, the fifth anniversary of the square incident.

Activists from unofficial publications throughout the country have gathered in Beijing to discuss ways to counter an imminent crackdown by the authorities, according to information reaching Hong Kong yesterday.

A recent document of the Chinese Communist Party Central Committee made available here called for tough actions on underground publications and organizations.

It is understood that the authorities have set June as the time limit for a complete crackdown on dissidents.

Observers believe that June will be the time for the sixth plenary session of the Communist Party Central Committee, when a series of important issues have to be decided.

It is not immediately known what counteractions the dissidents will take, but it is certain that they will not allow themselves to be wiped out with their hands tied.

Repressive measures against dissidents have intensified since a get-tough speech by Communist Party Vice-Chairman Deng Xiaoping last December. However, the situation has not improved much since.

The party's recent document, indexed No 9, instructed every party, government, army and industrial unit to investigate members who have taken part in dissident activities.

It warned that cadres who offer help in the printing and distribution of unofficial magazines will be dismissed from the party. And it said those unofficial publications and organizations which pass state secrets to reactionary forces in Hong Kong and Taiwan will be dealt with severely.

Observers feel that the planned crackdown may have something to do with struggles within the Communist Party.

General Secretary of the Communist Party Central Committee Hu Yaobang reportedly said that some people in the party back the dissidents.

The national association for the unofficial publications has responded to the crackdown as signaled in the No 9 document. In an extra edition of its bi-monthly organ, RESPONSIBILITY, the association called for concerted actions against the crackdown.

Meanwhile, in Hong Kong postsecondary colleges, including Hong Kong University, Chinese University and the Polytechnic have held or are going to hold activities to commemorate the Tiananmen incident.

This year's theme for the activities is on the democratic movement in China. It is understood that the postsecondary students are considering a public expression of their anxiety over the crackdown.

On April 5, 1976, thousands of people turned their commemoration of the late Premier Zhou Enlai into a riot against the gang of four after their worshipping activities at the Tiananmen Square were broken up by the police.

DISSIDENT WRITERS ATTACK MARXISM, MAOISM

HK040205 Hong Kong SOUTH CHINA MORNING POST in English 4 Apr 81 p 5

[By Peter Hunter]

[Text] An underground magazine published in China's far western region of Xinjiang has launched a grassroots assault on the principles of Marxism and Maoism.

The publication, called TODAY'S CHINA, pours ridicule on fundamental communist concepts, such as the dictatorship of the proletariat, democratic centralism and the Maoist theory of practice first and knowledge second.

This is the second volume of the unauthorized publication which a man claiming to be its editor secretly handed to a European traveller in northwest China recently.

An article about the dictatorship of the proletariat dismisses Marx as an apriori ideologist whose theories cannot be verified by facts.

The magazine is composed by a wide variety of intellectuals who were sent to settle in Xinjiang by the government. Their ideological arguments are intellectually weak and the magazine is poorly printed but their ideas are radically defiant.

"These articles are much sharper than those of the 1978-79 democracy movement led by jailed dissident Wei Jingsheng but they do not deal enough with the practical problems of the Chinese daily life," said one Chinese reader in Beijing. "Therefore, the magazine will have a limited popular appeal but it will arouse government disapproval because it attacks Chinese communism," he added.

The Xinjiang region where the publication is produced is a hotbed of civil disturbance. Last summer hundreds of people died in fighting between Chinese troops and the local Uygur population near Aksu, according to dissident sources in Xinjiang.

In the autumn and again in January, senior Politburo member Wang Zhen was assigned to Xinjiang to administer the suppression of uprising in the region.

During the past two decades, thousands of Chinese youths and intellectuals were assigned to state farms in Xinjiang to settle down and work. Many have recently demanded permission to return home.

Seventy thousand youths held a demonstration in Xinjiang in November and a 10,000-strong sympathy demonstration took place in Shanghai in December, according to Xinjiang student sources.

Some Western analysts see the emergence of the new magazine as "inseparable from the context of these disturbances."

The introductory remarks in TODAY'S CHINA set the tone of the magazine attack the regime currently in power in Beijing. One poem accuses the regime of "pretending to be infallibly correct" while it is actually "constantly in error and in fear of criticism." The poem also calls for a flourishing society where all ideas and theories may compete peacefully.

Another poem entitled "The Mad Man Cooked-Up Tale" invokes the abandonment of all present theories and the introduction of a new approach.

In an article attacking the attitude of the leadership, the author Bingwen writes: "Be it a person or a nation, whether it can progress and become truly great, depends on its constant attention to its own shortcomings, and on its ability to seek out and uncover its defects, and not on blindly and stubbornly gloating over its achievements to date, and not on boasting and jumping for joy over one or two trivial successes."

The Chinese Government is currently propagandizing a central directive concerning unofficial intellectual publications. Known as document No 9, the directive calls upon the students not to participate in anticommunist activities such as underground literature, according to sources at Beijing University.

A political teacher at one college recently told his students that "they would be safe if they didn't get involved in activities of student activists at Beijing and Qinghua Universities." He was referring to the recent disbandment of underground publications and the anticommunist speeches of candidates in the local governments' election last autumn.

An unofficial student organization publishing its own magazine and expressing support for other dissident movements in China was recently smashed by the authorities at Beijing University and at least two of the leaders were punished with the "three expulsions," dissident sources said.

"They were expelled from the Communist Party, from the Communist Youth League and from the university and their publications were seized," the sources added.

Members who escaped detection and punishment are now "lying low," and preparing to spread their activities to other cities later this year.

In this context the Xinjiang is a daring demonstration of the will to fight but the editor who handed the foreigner TODAY'S CHINA expressed a mixture of optimism and pessimism.

"Our next edition will be better printed," he said, "if we are still alive."

RENMIN RIBAO OPENS HONG KONG BUREAU

HK040224 Hong Kong SOUTH CHINA MORNING POST in English 4 Apr 81 p 1

[Text] The Beijing RENMIN RIBAO has appointed two correspondents to open a new bureau in Hong Kong.

According to government sources this is the first time the official Chinese newspaper has made such a move.

The newspaper is understood to have applied to the British Embassy in Beijing to open the new bureau.

The two correspondents arrived in Hong Kong last month and moved into the XINHUA building on Morrison Hill Road.

The new bureau began operating on Wednesday.

The two correspondents are believed to be covering not just events in Hong Kong but in Southeast Asia.

HONG KONG PAPERS BID FOR BEIJING BUREAUS

HK060139 Hong Kong STANDARD in English 6 Apr 81 p 1

[Report: "Beijing Bureau Bid by Papers"]

[Excerpt] Two local leftwing newspapers, WEN WEI PO and TA KUNG PAO are applying to set up bureaus in Beijing to facilitate their work.

They are still awaiting official approval, though their correspondents have been actively reporting in China for some time, sources said yesterday.

It is understood that the Chinese Government carefully screens each application before granting approval. A Hong Kong television station recently was denied the right to set up a news bureau in Beijing.

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